Trimac

Trimac Corporation

1996 Annual Report

Consistent Growth

Profile

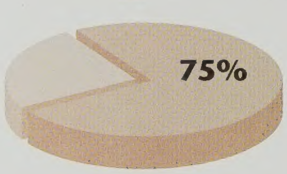
Trimac Corporation provides services in highway transportation of bulk commodities through Trimac Transportation Services and truck fleet management services through Rentway.

In addition, a significant portion of Trimac's total value is represented by interests in associated corporations.

The company employs more than 3,700 employees across North America. Its common shares are traded on the Toronto and Montreal stock exchanges under the symbol TMA.

Trimac Transportation Services (TTS) provides highway transportation of bulk commodities and related distribution and management services to industrial customers throughout North America. TTS has a proven reputation for safe, reliable service with the capability to transport a wide range of liquid, gaseous and dry bulk products in Canada and the United States. TTS is the largest bulk commodities highway transportation company in North America.

Bulk Transportation Services



(thousands of dollars)	1996	1995
Revenues	$382,691	$371,277
Pretax earnings	15,423	12,598

See page 4.

Rentway provides truck fleet management services including full-service leasing, rentals, maintenance and repair services across Canada and several proximate U.S. markets. The company operates the most extensive network of heavy duty truck shops in Canada. Rentway has positioned itself as both a financial services organization and truck fleet management company. Rentway is committed to adding value to its customers' businesses through the company's truck fleet management expertise and shop-based strategy.

Truck Fleet Management Services

(thousands of dollars)	1996	1995
Revenues	$127,893	$114,537
Pretax earnings	5,066	5,022

See page 6.

North American Network of Facilities

	Canada	U.S.	Total
Trimac Transportation Services	65	33	98
Rentway	29	4	33
Total	94	37	131

Associated Corporations & Other Interests

See page 8.

	% Owned	TSE Ticker Symbol
Banister Foundation Inc.	22.4%	BAC
Bantrel Inc.	25.0%	—
BOVAR Inc.	49.8%	BVR
Chauvco Resources Ltd.	14.2%	CHA
CleanCare Corporation	60.0%	—
IITC Holdings Ltd.	39.7%	IIT.A
Newalta Corporation	9.5%	NAL
Taro Industries Limited	19.7%	TIN

Operations Data – TTS and Rentway

	As of December 31 1996	1995
TTS Power Units*	1,670	1,493
TTS Trailers	4,125	4,064
TTS Employees**	3,120	3,184
Rentway vehicles owned	5,509	4,872
Rentway employees	631	583

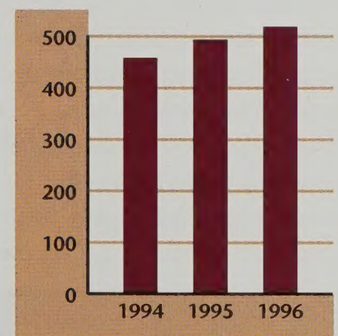
*Owned & Leased **Including Leased Operators

Financial Highlights

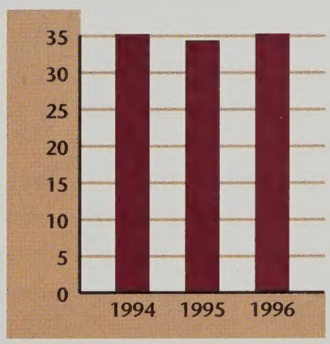
(thousands of dollars except per share and percentage amounts)	1996	1995	1994
Operating Results *(year ended December 31)*			
Revenues	$518,791	$493,662	$458,036
Operating earnings[1]	35,100	34,175	35,051
Earnings before taxes	16,576	14,763	20,710
Earnings before associated corporations and minority interest	11,566	5,351	15,308
Net earnings	21,421	31,124 [2]	21,564
Earnings per share	0.53	0.77 [2]	0.53
Cash flow from operations	71,481 [3]	71,429	73,735
Cash flow per share	1.76 [3]	1.77	1.83
Net capital investments			
Fixed assets	87,840	94,615	110,178
Acquisitions/investments	15,554	6,783	15,526
Return on net assets	8.7%	12.7%	9.6%
Return on equity	8.9%	14.2%	12.2%
Financial Position *(as at December 31)*			
Working capital	2,049	15,098	15,649
Total assets	600,563	559,963	504,026
Long-term debt	238,246	227,893	204,780
Shareholders' equity	252,594	230,802	208,939
Common Share Data			
Dividends paid	0.18	0.18	0.15
Book value	6.23	5.70	5.20
Number of common shares outstanding	40,553,905	40,500,805	40,216,905

(1) Certain of the above amounts have been reclassified from those presented in prior periods and in a release dated February 21, 1997. Revenues, net earnings, earnings per share and cash from operations are unchanged.
(2) Results in 1995 included a net gain of $17.4 million ($0.43 per share) on the sale of a division of an associated corporation.
(3) Includes cash taxes of $6.3 million ($0.16 per share) attributable to the drilling operations of Trimac Limited, which charge will not recur in 1997. Taxes otherwise payable in respect of 1995 drilling income were largely offset by tax loss carry forwards.

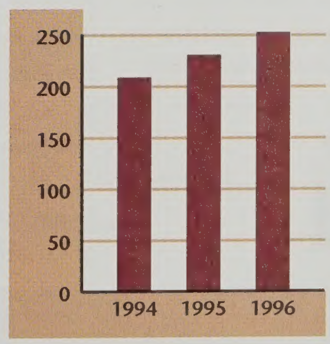
Revenues
(millions of dollars)



Operating Earnings
(millions of dollars)



Shareholders' Equity
(millions of dollars)



PROFILE

Shareholders' Meeting

A meeting of shareholders of Trimac Corporation will be held Wednesday, May 7, 1997 at 10:30 a.m. at the Metropolitan Centre, 333 Fourth Avenue S.W., Calgary. Trimac shareholders are invited to attend and meet the officers and directors of the Corporation.

Jeffrey J. McCaig
President and C.E.O.
Trimac Corporation

Trimac's mission of creating value for our shareholders by delivering value to our customers requires an ability to recognize the opportunity for constructive change and to implement such changes efficiently and effectively. This past year was one of significant change for Trimac. After careful consideration of a range of alternatives, senior management recommended, and the board of directors approved, a reorganization of Trimac whereby the company's drilling business would be dividended or "spun-out" to our shareholders. Once taken, the decision to reorganize was implemented quickly and in a tax efficient manner at a time when the public market valuation of drilling service stocks was at an all-time high.

While we are pleased with the results of the changes implemented in 1996, we recognize that change must be a constant within an organization that aspires to the principles of shareholder value creation.

The theme of this annual report is the long-term, consistent growth which has been demonstrated by Trimac over its 50 year history. We are actively assessing further changes to position Trimac to continue its track record of consistent growth in 1997 and into the next century.

Dear Shareholder:

1996: A Year of Change in Strategic Direction — 1996 was a watershed year for Trimac. It was the year in which we celebrated our 50th Anniversary. Also, it was the year in which we decided to make the most far-reaching changes to the company's strategic direction since the company went public and began diversifying beyond its trucking roots, over 25 years ago.

Trimac began in 1945 as a small trucking company in Moose Jaw, Saskatchewan. Over the next 25 years, the company grew from this small beginning to become the largest bulk trucking company in Canada. In 1971, the company went public and about the same time, acquired Rentway, a truck leasing and rentals business. In the mid-seventies, the company further diversified into the oil and gas drilling business, while the eighties saw the company add a number of associated corporation interests. Also during the eighties, the company expanded its bulk trucking business into the United States, and by 1990 was the largest bulk trucking company in North America.

Trimac evolved from a single business trucking company to a relatively diversified "industrial services" company. That vision for the company was consistent with the capital markets of the time which rewarded conglomerates with higher multiples because of the expectation of higher growth rates and a perception of lower risk. We performed well in that environment with a strategy of related industry diversification and geographic expansion.

Trimac has now been a public company for 26 years and the total returns on Trimac shares have consistently exceeded those for the TSE 300 Index over that 26 year period.

With that kind of track record, why change strategic direction? Quite simply because the world has changed in a number of significant ways. Firstly, the markets that our operating businesses are competing in are becoming more focused and therefore, increasingly competitive.

Secondly, capital markets changed as mutual funds, pension funds and other financial intermediaries took over the task of risk reduction through diversification. The preference with these large new pools of capital is to invest in "pure plays" as opposed to diversified companies.

Finally, our transportation and energy services businesses had grown to the point where they were large enough to access public equity capital markets as efficiently as a larger, diversified parent company.

Accordingly, after careful consideration of a broad range of alternatives, senior management recommended, and the board of directors approved, a reorganization of Trimac whereby the company's drilling business would be dividended, or "spun-out", to our shareholders. Trimac shareholders approved the reorganization by a majority vote of over 99 percent and the reorganization was completed on February 1, 1997 on a tax effective basis and with minimal disruption to the underlying businesses.

Reorganization Creates Tremendous Shareholder Value — The reorganization created tremendous value for Trimac shareholders. The market capitalization of the company increased from a low of $450 million on March 15, 1996 to $790 million on the day prior to the closing of the reorganization, representing a $340 million increase.

Trimac Corporation: Focused on Core Transportation Businesses — Trimac Corporation emerged from the reorganization as a company focused on the growth of its core bulk highway hauling business and its truck fleet management services business, carried on through Trimac Transportation Services (TTS) and Rentway, respectively. These businesses have a track record of consistent growth over the long-term. TTS and Rentway have collectively achieved a compound annual growth rate of 12.5 percent over the last 25

HISTORICAL GROWTH

1945
Maccam Transport founded by J.W. McCaig in Moose Jaw, Saskatchewan

1961
First significant acquisition of a regional competitor: H.M. Trimble & Sons

Relocation of corporate headquarters to Calgary, Alberta

1971
Initial Public Offering: November 22nd

Entry into truck leasing and rental business with acquisition of Rentway

1980
Trimac makes its first U.S. trucking acquisition with Liquid Transporters of Kentucky

years. The board and management of Trimac believe that each of these businesses is uniquely positioned to continue this record of consistent growth over both the long and short term.

Transportation Services — 1996 results in the Canadian trucking operations were below the long term averages both in terms of revenue growth and bottom line profitability. Unusually severe weather conditions, combined with depressed markets for certain commodities, were contributing factors to the reduced margins in these operations.

In the U.S. operations, restructuring efforts produced significantly improved results from a $1.5 million loss in 1995 to a $4.5 million profit in 1996; a $6.0 million turnaround. However, returns in the U.S. have not yet met our goals and the company remains committed to further improvements in this business segment.

The outlook for the trucking operations is positive. In February 1997, Trimac acquired Coastal Bulk Transport Limited, Brunswick Bulk Transport Limited, Quinnsway Transport Limited and Brunswick Bulk USA from Provost Corporation. These businesses operate in three of the Atlantic provinces as well as the New England states, providing Trimac with market coverage in a geographic area where it previously had no significant penetration. Trimac Transportation now has a scope of operations in Canada from coast-to-coast.

We believe that consolidation in the bulk highway hauling industry will continue for the foreseeable future and that Trimac Transportation, as the largest company in North America in this transportation segment, will be in a strong position to capitalize on further acquisition opportunities, as well as internal growth, in both the Canadian and U.S. markets.

Truck Fleet Management — The outlook for the fleet management services operations is also positive. Rentway has achieved double digit revenue growth over the last several years; however, the growth of profits has not kept pace due in part to investing to support the revenue growth.

The market for out-sourcing of truck fleets and the demand for value-added services continues to grow at a significant rate. Rentway has positioned itself in this market between the fully-integrated logistics providers and the traditional full-service lease suppliers, creating a market niche in fleet management services. This, combined with the company's commitment to quality service and a successful shop-based strategy, is expected to increase the profitability of this core business operation.

Associated Corporations — Trimac's interest in associated corporations have generated significant returns to our shareholders over the years. However, with the reorganization of the company, we have refocused on our core bulk highway hauling and truck leasing businesses. Accordingly, the associated corporation interests, which are relatively liquid, may be used to fund the future growth of our core businesses.

Employees Excel in the Face of Change — The combination of a 50th Anniversary and a significant restructuring event in the same year has been an opportunity for employees and the company as a whole to reflect back on those things that have made us successful in the past — and we think the key ones are respect for people and flexibility — and to draw on those strengths to restructure the company in a way that allows both of its components to continue to be competitive and grow in their respective industries.

On behalf of the board of directors and senior management of the new Trimac, Trimac Corporation, we would like to express our sincere appreciation for the dedication and hard work of our employees over the past year. Their ability to execute this first step in our new strategic direction bodes well for our future as a growth-oriented, transportation-focused, public company.

With the reorganization of Trimac, two of our valued and long-serving directors, D.K. (Doc) Seaman and Tony Vanden Brink, have moved to the board of Kenting Energy Services Inc. We wish to extend our sincere gratitude for their experienced counsel and commitment as members of Trimac's board.

J.J. (Jeff) McCaig
President & C.E.O.

J.R. (Bud) McCaig
Chairman

1990
The purchase of CP Bulk Transport makes Trimac the #1 bulk commodities trucking company in North America

1996
Trimac celebrates 50 years in the transportation industry

1997
Introducing the new Trimac Corporation, focusing on bulk trucking, truck fleet management services and other transportation related businesses

Andrew B. Zaleski
President

Since 1990, Trimac Transportation has been the largest bulk trucking company in North America. From its inception in 1945, Trimac Transportation has consistently sought and achieved industry leadership.

With the financial resources available to fund acquisitions, Trimac Transportation is in a unique position to capitalize on further consolidation opportunities in the bulk trucking industry in North America. In addition, the strength of the North American economy, together with a stable low interest rate environment, is expected to result in significant internal growth opportunities.

TTS began 1997 with a significant acquisition in Atlantic Canada that gave our Canadian operations market coverage from British Columbia to Newfoundland. With the dedication and commitment of our employees, I believe that Trimac Transportation is poised for further growth.

1996 Highlights —

Nineteen ninety-six was another banner year for Trimac Transportation Services (TTS). The company achieved record revenues of $383 million, compared with $371 million in 1995.

Canada — The Canadian operations made a number of acquisitions and entered into several large transportation contracts during the year. Revenues increased by $14.5 million over 1995, with acquisitions representing $8.3 million of this increase, and the remainder being new contracts secured mid-year, primarily in Eastern Canada.

United States — Although revenues remained flat in the U.S. operations, earnings improved significantly with a turnaround of $6 million. This notable improvement was a result of the "Pin-Point Selling Program". This Program involves targeted sales efforts to fill empty lanes in the system hauling business, resulting in improved loaded miles and increased equipment utility.

Management continued to focus on further improvements in the profitability of U.S. operations which were reorganized in the latter part of 1996 to more effectively meet changing customer requirements. Operations are now carried on through three divisions that focus on customer product lines rather than geography, namely the Dry Bulk/Mining, System Chemical and Dedicated Chemical divisions.

Growth Through Acquisitions —

The bulk commodities transportation industry continues to consolidate, and acquisitions are an important component of Trimac Transportation Services' growth strategy.

As the largest bulk trucking company in North America, with strong, decentralized operations management and a proven reputation for safe, reliable service, TTS is uniquely positioned to take advantage of acquisition opportunites.

The purchase of Bartlett Transport Limited of Port Colborne, Ont. in March allowed TTS the opportunity to enter into the food grade hauling market.

In July, TTS acquired a 50 percent interest in Rathwell Transportation Inc. of Moose Jaw, Sask. This purchase expands the company's presence in the grain hauling market, an area in which Rathwell specializes. This acquisition led to the December purchase by Rathwell of Shepherd Bulk Carriers, also specialists in grain hauling.

The Northern Resource Trucking Limited Partnership, of which TTS holds 29 percent, acquired C. Gibson Holdings Ltd. of La Ronge, Sask. in December. The company specializes in storing, transporting and selling of petroleum products for Imperial Oil.

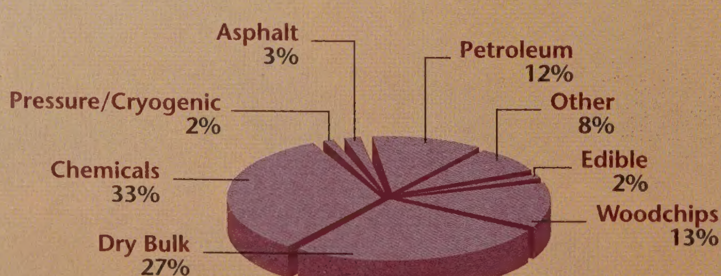
The most significant acquisition by the Canadian operations was the purchase in February 1997 of Coastal Bulk Transport Limited, Brunswick Bulk Transport Limited, Quinnsway Transport Limited and Brunswick Bulk USA. These operations include terminals in Newfoundland, Nova Scotia, New Brunswick and New Hampshire. This strategic acquisition gives TTS market coverage in a geographic region of Canada where it previously had no significant penetration, in addition to further penetration in the U.S. east coast.

Recent Acquisitions —

Purchase	Date	Ownership	Tractors/Trailers	Annual Revenues	Commodities Hauled
Bartlett Transport	March 1996	100%	42 / 48	$6 million	Food grade & edible products
Rathwell Transportation	July 1996	50%	26 / 32	$3 million	Grain & other agricultural products
Shepherd Bulk Carriers	December 1996	50%	8 / 19	$1.3 million	Grain & other agricultural products
C. Gibson Holdings	December 1996	29%	10 / 6	$1.5 million	Petroleum products
Coastal Bulk Transport Brunswick Bulk Transport Quinnsway Transport Brunswick Bulk USA	February 1997	100%	175 / 275	$30 million	Largest bulk trucking operation in Atlantic Canada hauling a wide range of commodities

PROFILE

Transportation Revenues by Commodity



Transportation Financial Summary

(thousands of dollars)	December 31 1996	1995	1994
Revenues	$382,691	$371,277	$352,784
Earnings before interest and taxes	21,050	19,489	21,972
Pretax earnings	15,423	12,598	16,316
Cash from operations	38,268	35,517	41,721
Identifiable assets	227,677	220,586	217,658
Long-term debt	77,828	73,751	76,501
Depreciation and amortization	28,633	28,329	27,395
Net capital expenditures	35,315	31,198	33,114
Return on net assets (%)	11.9	11.4	13.4

Strength Through Long-Term Contracts —

Trimac Transportation's customers require highly specialized trailing equipment to handle the particular requirements of the bulk commodities being hauled. The high level of investment required for trailing equipment generally results in customers entering into long-term contracts with TTS. Currently, 57 percent of Trimac Transportation's revenues are under long-term contract.

The five-year, $40 million contract signed in April 1996 with Imperial Oil is an example of the long term relationship which TTS seeks to establish with its major customers. The single-sourcing contract involves the transportation of petroleum products from distribution terminals to various destinations in Ontario. In keeping with the industry's increasing demand for total contract logistics, TTS has also assumed responsibility for various logistics and inventory management activities for Imperial Oil.

Information Technology Initiatives —

Interactive on-line dispatch and revenue system with on-board computers and two-way satellite communications system	Dispatch optimization and operational efficiencies
Separation of transaction processing from analytical processing	Effective access to information for decision making
Human Resources Management System	Improved personnel management and administrative efficiencies

TTS customers look to Trimac Transportation to meet certain performance criteria in the hauling of their commodities. These criteria include: reliability, safety record, price and experience. TTS continues to enhance its position as the North American industry leader in the hauling of bulk commodities by consistently meeting or exceeding the performance criteria of its customers.

Investing in the Future —

TTS is committed to providing the best value and service for its customers with proactive initiatives in the areas of safety, quality, maintenance, training and information technology as highlighted below.

Safety — Initiatives included: detailed and formal product stewardship training in dry bulk, chemical and petroleum hauling, and the formal introduction of Driver Trainers at all terminal facilities.

Quality — TTS continued with ISO 9002 registration programs, achieving the first paint tote cleaning facility registration in North America, at the Oakville, Ont. terminal.

Maintenance — The "Shop Plus" program, which goes beyond simple computerization, has streamlined inventory management, parts purchasing, work order preparation and manpower scheduling with the use of bar codes and "wand" scanners. The implementation of this program will be completed in 1997.

Training — The "Branch Operations Training Program" continues to be a focus for front line management. Phase I, a comprehensive 2 week program of classroom and field training, was completed in 1996. Phase II, a one-week workshop on Leadership and Employee Communication, will be completed in 1997.

Information Technology — During 1996, TTS concluded a review of its information technology capabilities and created a new five year plan and direction for this very important business process. Trimac Transportation plans to spend $25 million on this area over the next five years, primarily in the area of operational-based systems which will improve operating effectiveness and provide enhanced customer service.

Outlook —

In 1997, Trimac Transportation will continue with its proven formula for success: growth through third party acquisitions which meet established criteria and internal growth in both existing and new markets.

We are encouraged by the turnaround experienced in our U.S. operation in 1996 and are committed to continued growth and improvements in the profitability of this operation.

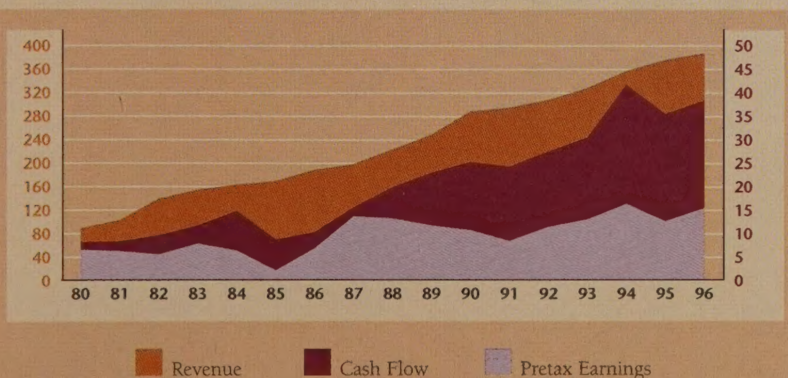
TTS will also become increasingly active in the area of third party logistics in order to meet the needs of its customers.

The cornerstone of Trimac Transportation's business – long term contractual relationships with major customers – will continue with the company's focus on customers that require the reliability, quality, safety record and commitment to service which is the hallmark of Trimac Transportation's operations.

Trimac Transportation will continue to invest in initiatives in the areas of safety, quality, employee training and information technology in order to maintain its position as the premier bulk trucking company in North America.

With the purchase of Bartlett Transport in March 1996, Trimac Transportation entered into the food grade hauling market. This purchase sparked a year of significant acquisitions by TTS.

Transportation Services – Consistent Growth
(millions of dollars)



Industry Outlook & Growth Opportunities

- Bulk trucking industry continues to consolidate
- Increasing industry partnering and inter-modalism
- Increasing demand for total contract logistics
- Increasing technological sophistication

Competitive Advantages

- Largest bulk trucking company in North America; coast-to-coast in Canada
- Strong and decentralized operations management
- Strong safety record with progressive labour relations
- Restructured U.S. operation
- 57 percent of revenues are under long-term contract

Ron W. Waye
President

In 1997, Rentway is proud to commemorate its 30th year of operation in the truck leasing business. This longevity, backed by our leadership position in the industry, is a testament to the company's commitment to the long-term satisfaction of our customers.

It is this commitment that has led our company to concentrate on providing a more complete range of value-added services through the creation of a unique market niche in truck fleet management services. Providing extensive customized support to customers enhances our ability to continue developing profitable, long-term relationships with customers who value consistent, quality service.

1996 Highlights —

In 1996, Rentway continued its consistent pattern of double digit growth. Revenues increased 11 percent to $127.9 million from $114.5 million in 1995. This growth was primarily derived from Rentway's core business activities: full service lease and "Trukcare" fleet maintenance services. The growth in full service lease revenues was driven by increased business with large corporations wishing to out-source the management of their truck fleets while maintaining their company drivers.

Maple Lodge Farms is one of several customers who look to Rentway for truck fleet management services.

A greater emphasis on shop-based, truck fleet management services in 1996 provided the basis for specific growth-oriented strategies which will shape the operation in 1997.

The achievement of simultaneous ISO 9002 registration of all of Rentway's Canadian locations in August was a major accomplishment in 1996, further reflecting Rentway's commitment to providing quality, value-added support to its customers.

The development of additional long-term customer relationships in 1996 was a demonstration of Rentway's effectiveness in truck fleet management. Coca-Cola Beverages Ltd. augmented its full-service lease contracts with Rentway in Quebec and Western Canada with the addition of its eastern and northern Ontario fleet. Rentway became the sole supplier of truck fleet equipment for both inbound and outbound logistics for Maple Lodge Farms, one of Canada's largest poultry processors. Rentway also signed a maintenance agreement with the Department of National Defence in Quebec to refurbish vehicles recently returned from overseas peacekeeping missions.

Major Fleet Accounts —

Coca-Cola Beverages Ltd.	Quebec Ontario Western Canada
Maple Lodge Farms	Ontario
Serca	Ontario and B.C.
Customized Transportation	Ontario and U.S.

Introducing Truck Fleet Management —

Rentway's 30-year reputation as a leader in the truck leasing business in Canada has been sustained by its ability to work with its customers to define their transportation needs and to provide in-depth, customized solutions to meet these needs.

It is this commitment that initiated Rentway's action to position its entire business between the fully-integrated logistics providers and the traditional full-service lease suppliers, creating a distinct niche in the marketplace.

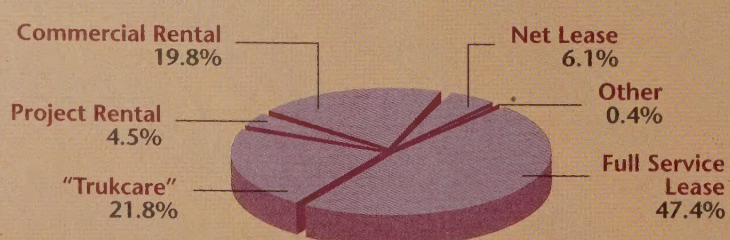
The industry trend towards out-sourcing, and customers' expectations for extensive fleet management support, has necessitated a transition in the marketplace. Rentway's strategy employs the company's core competencies and results in the provision of a more complete range of value-added services for the sophisticated customer.

Management's ongoing commitment to employee training raises the level of quality service provided to customers. Rentway has established a benchmark in the industry for in-depth training in logistics and business management. This includes a significant number of employees at both the management and branch level participating in the Professional Logistics Program.

These initiatives launched in 1996, and their continued development in 1997, clearly support Rentway's position as a company that is committed to integrated partnerships for its expanding customer base and heightens Rentway's leadership stance in the industry.

PROFILE

Truck Fleet Management Revenues by Customer Service



Truck Fleet Management Financial Summary

(thousands of dollars)	December 31 1996	1995	1994
Revenues	$127,893	$114,537	$ 97,511
Earnings before interest and taxes	17,429	17,333	15,090
Pretax earnings	5,066	5,022	6,740
Cash from operations	43,279	39,299	33,452
Identifiable assets	226,394	211,991	182,961
Long-term debt	158,596	152,044	133,657
Depreciation and amortization	41,611	38,364	31,218
Net capital expenditures	51,929	61,169	75,190
Return on equity (%)	6.1	8.8	13.6

An Aggressive Shop-based Strategy —

Rentway operates the most extensive network of heavy-duty truck service shops in Canada. The management of non-company owned vehicles is a growing competitive advantage and significant revenue generator.

A unique aspect of the company's shop-based strategy is the "Trukcare" service programs. In addition to the nation-wide network of maintenance facilities, "Trukcare" provides customers with 24-hour access including emergency road service and temporary replacement equipment.

"Trukcare PM" is a program specifically designed for those customers wishing to out-source or unbundle the maintenance of their truck fleet. The program provides for regular maintenance scheduling, fixed preventive maintenance costs, custom preventive maintenance programs, and reporting/budgeting.

Last year saw the successful launch of another "Trukcare" program. With "Trukcare GTD", the customer receives total fleet maintenance on newly purchased vehicles with the assurance of guaranteed costs, quality preventive maintenance and complete repair management.

At the end of 1996, there were 2,295 customer units under "Trukcare" contracts.

Another significant aspect of Rentway's shop-based strategy is continuously building upon its network of heavy duty truck shops. In 1996, the company opened a facility in Portland, OR., and expanded to two shops in Hamilton, Ont. At the beginning of 1997, a shop was opened in Cleveland, OH and further locations are imminent in Western Canada.

Consistent, quality service —

In August 1996, Rentway completed a remarkable achievement with its simultaneous ISO 9002 registration of all its Canadian locations.

The international quality standard assures customers that Rentway has met a rigorous set of quality and service criteria.

In keeping with its reputation as an industry leader, Rentway was the first truck leasing company in North America to be ISO registered.

Commitment to Information Technology —

Progressive information technology is critical to the success of truck fleet management and Rentway's over-all business strategy of connecting and integrating with its customers. Today, customers are expecting assistance with cost control measures which will, in turn, enhance their efficiency and profitability. The company's expertise with information-based resources includes fuel tax reporting, in-shop management, licensing, budgeting, computerized scheduling, custom vehicle specifications and permit services.

Dependable Quality Service —

The process to become ISO 9002 registered, which began in 1995, was completed in August 1996 when all Canadian branches of Rentway simultaneously achieved this high-profile, international quality standard. Rentway was the first truck leasing company in North America to be ISO registered.

The months of rigorous steps required to achieve this registration further enhanced the high standards of performance provided by Rentway's employees and demanded by the ever-sophisticated customer, many of whom are also ISO registered.

The Quality process does not end with the achievement of ISO registration of existing Canadian branches. Rentway is committed to continuing its search for better and more cost-efficient ways of serving their customers.

A Growth-oriented Outlook —

In 1997, Rentway will build on its shop-based business strategy, looking to add new service shops in Canada and to increase its shop density in major urban areas. The common thread in transportation-related services with sister-company Trimac Transportation provides opportunities for synergy, particularly in the United States where the ability to share facilities enhances both companies' competitive advantage.

The main focus of Rentway's U.S. operations will continue to be in the Michigan/Ohio and Pacific Northwest markets. This will involve additional locations and related business development.

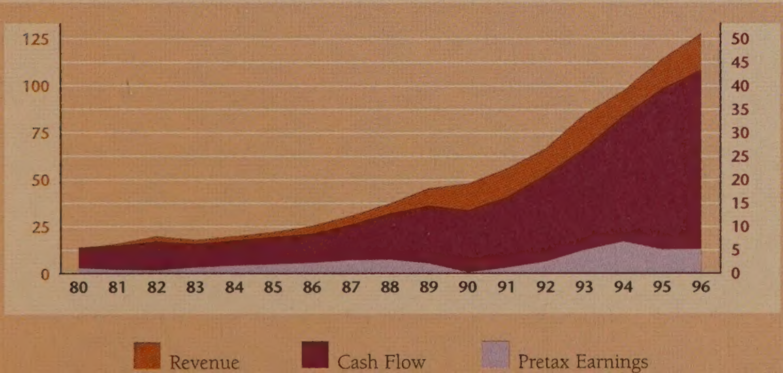
Strategic partnerships with large, sophisticated customers looking for a range of fleet solutions will continue to be actively pursued in 1997. Employees will undergo further training to upgrade skills to effectively support the move into fleet management. The commitment to provide the best in customer service will be maintained through the standards set by the company's ISO registration.

In 1997, Rentway will commemorate its 30th year of operation in the truck leasing business. This longevity, backed by leadership and a consistent growth record, is a testament to Rentway's commitment to the industry. Rentway's future in truck fleet management services is well-positioned, backed by its strength, integrity and expertise in the industry.

When Rentway achieved the simultaneous ISO 9002 registration of all its Canadian branches in August 1996, it was largely due to the hard work and commitment by its dedicated employees. Representing this monumental achievement by over 600 employees Canada-wide is some of the staff from the branch in Mississauga, Ontario.

Truck Fleet Management – Consistent Growth

(millions of dollars)



Industry Outlook & Growth Opportunities

- Out-sourcing of truck fleet management services
- High profile for truck safety issues
- Non-traditional sources of financing and business development opportunities
- Stable interest rate environment

Competitive Advantages

- One of only two national truck leasing operations in Canada
- Largest purchaser of heavy duty trucks and best network of heavy duty truck shops in Canada
- Strategy: shop-based truck fleet management
- Innovative management team
- Reputation for quality service – ISO 9002 registered
- 56 percent of revenues are under long-term contract

Trimac holds a significant proportion of its total value in associated corporations and other interests. These assets may be used to fund growth of the core transportation businesses of Trimac. With the exception of Bantrel Inc. and CleanCare Corporation, the shares of all these corporations are publicly traded and information as to the business and affairs of such corporations is available from each company or through the public record.

Chauvco Resources Ltd.
14.2% Ownership

Chauvco is involved in the acquisition, exploration, development and production of petroleum and natural gas reserves in Western Canada, Argentina, Gabon and other international locations.

BOVAR Inc.
49.8% Ownership

BOVAR is one of Canada's leading international providers of environmental and waste management products and services. It operates, and is the owner of, Canada's only fully integrated hazardous waste treatment facility, located in Swan Hills, Alberta.

Banister Foundation Inc.
22.4% Ownership

Banister Foundation provides services in civil, pipeline, building, utilities, nuclear and industrial construction as well as engineering, procurement and construction management services.

Taro Industries Limited
19.7% Ownership

Taro provides natural gas compression systems and fluid management products and systems to a broad customer base which includes the upstream and downstream petroleum industry, municipal governments and other diverse users. The company also participates directly in the upstream petroleum industry through the manufacture and distribution of drilling and well service supplies and oilwell measurement and optimization equipment.

Bantrel Inc.
25.0% Ownership

Bantrel is a private company which provides design, engineering, procurement and construction services to the petroleum industry. Bantrel provides services for oil and gas production facilities, oil sands projects, heavy oil upgraders, refineries and petrochemical plants across Canada and in the Arctic, Northwestern United States and offshore areas.

IITC Holdings Ltd.
39.7% Ownership

Formerly Intera Information Technologies Corporation, IITC Holdings is in the process of a voluntary liquidation and dissolution and no longer has any operating business. To date, Trimac has received distributions of $10.00 per share from IITC Holdings ($22.2 million in aggregate). IITC Holdings has indicated that additional distributions may be made in the future; however, the timing for such distributions is not yet known.

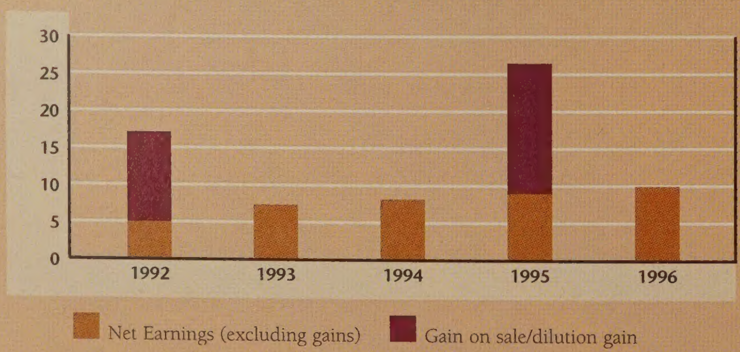
Newalta Corporation
9.5% Ownership

Newalta is a Western Canadian waste management company. This interest was acquired by Trimac in July 1996 in conjunction with the sale of its Canadian waste reduction and recyling operations to Newalta.

CleanCare Corporation
60.0% Ownership

CleanCare Corporation is involved in waste treatment services for small quantity generators of solvents, glycols, automotive and other miscellaneous wastes in the United States. CleanCare is a private company and operates a fixed facility for the treatment, reduction and recycling of waste in Tacoma, Washington.

Trimac's Earnings From Associated Corporations
(millions of dollars)



Associated Corporations & Other Interests

(thousands of dollars/shares)	% Owned	# of Shares	Carrying Value December 31, 1996
Banister Foundation Inc.	22.4%	1,865	$ 26,082
Bantrel Inc.	25.0%		1,239
BOVAR Inc.	49.8%	39,118	22,394
Chauvco Resources Ltd.	14.2%	6,873	55,911
CleanCare Corporation(1)	60.0%		
IITC Holdings Ltd.	39.7%	2,221	7,186
Newalta Corporation	9.5%	2,500	12,775
Taro Industries Limited	19.7%	1,138	7,442
(1) Results are fully consolidated			$133,029

Market value of Trimac's interests in publicly traded associated corporations at December 31, 1996 was approximately $188 million

Trimac Corporation

Trimac Corporation is a public company focused on the growth of its bulk trucking, truck fleet management (leasing) and transportation related businesses through Trimac Transportation Services and Rentway. In addition, Trimac holds a significant portion of its total value in its associated corporation interests which may be used to fund future growth in its core businesses.

The following management discussion and analysis relates to the Transportation, Leasing and Associated Corporations division of the former Trimac Limited, which subsequently became Trimac Corporation. These comments and explanations should be read in conjunction with the consolidated financial statements of Trimac Corporation for the year ended December 31, 1996 which begin on page 13 of this report.

Unless otherwise indicated, amounts are in millions of Canadian dollars.

Summary

Results — Consolidated

	1996	1995
Revenues		
– Trimac Transportation Services	$382.7	$371.3
– Rentway	127.9	114.5
– Other(1)	8.2	7.9
	$518.8	$493.7
Pretax earnings (loss)		
– Trimac Transportation Services	$ 15.4	$ 12.6
– Rentway	5.1	5.0
– Other(1)	(3.9)	(2.8)
	$ 16.6	$ 14.8

(1) Includes U.S. environmental services revenues and earnings, unallocated corporate overhead and certain dilution gains and losses

Trimac Transportation Services

Trimac Transportation Services (TTS) provides highway transportation of bulk commodities, related distribution and management services to industrial customers throughout North America.

Results — Trimac Transportation Services

	1996	1995
Revenues		
– Canada	$242.1	$227.6
– United States	140.6	143.7
	$382.7	$371.3
Pretax earnings (loss)		
– Canada	$ 10.9	$ 14.1
– United States	4.5	(1.5)
	$ 15.4	$ 12.6

Revenues Combined Canadian and U.S. revenues in Trimac Transportation Services increased to $382.7 compared to $371.3 for the prior year. Canadian revenues increased in part due to the inclusion of revenues from the following four acquisitions (the percentages acquired are also shown) during the year:

- Bartlett Transport Limited – food grade and edible products (100%)
- Rathwell Transportation Inc. – grain and other agricultural products (50%)
- Shepherd Bulk Carriers (1990) Ltd. (assets purchased through Rathwell) – grain and other agricultural products (50%)
- C. Gibson Holdings Ltd. (through Northern Resource Trucking – a TTS/Aboriginal joint venture) – petroleum products (29%)

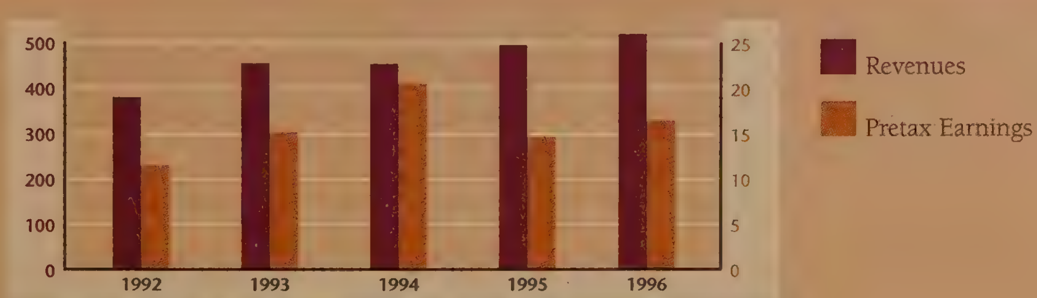
Each of these Canadian acquisitions represents further penetration into attractive market sectors, which offer future growth opportunities within the bulk trucking industry. The increase in revenues includes $8.3 from acquisitions.

Revenues in the United States were slightly reduced from 1995 mainly as a result of selective branch closures and reduced chemical shipments.

On a product basis, increased volumes of cement and other dry bulk commodities, woodchips and edible liquids resulted in increased revenues in Canada. On a geographical basis, revenue increases were strongest in Eastern Canada due to the acquisition of Bartlett Transport Limited and the start up of several new projects.

MD & A

Trimac Corporation
(millions of dollars)



Pretax earnings Pretax earnings in Canada were down from $14.1 in 1995 to $10.9 in 1996. This was due, in part, to higher costs and lower volumes in Western Canada. The increased operating costs resulted from adverse weather conditions as well as increased fuel costs due to a lag in recovery of such increases from customers. In the United States, pretax earnings were $4.5 in 1996 compared to a loss of $1.5 in 1995. Management initiatives resulted in an increase in loaded miles and improved cost controls. The improvement to costs occurred in the areas of labour, repairs and accident costs.

Capital expenditures Net capital expenditures in Canada amounted to $33.5 in 1996 compared to $23.0 in 1995. Approximately $6.0 of the 1996 amount was with respect to major new projects and the remainder was for replacement assets. In the United States, net capital expenditures were $1.8 in 1996 compared to $8.2 in 1995. The 1996 net expenditures related entirely to replacement assets.

Net capital expenditures in 1996 were financed by cash from operations of $32.2 and new debt of $3.1.

Financial resources and liquidity — cash from operations Pretax earnings in Canada in 1996 were $10.9 ($14.1 in 1995), after deducting depreciation of $18.6 ($16.5 in 1995 after deducting a gain of $0.7). Current taxes totalled $4.7 in 1996 and $4.2 in 1995. These and other factors resulted in cash from operations of $24.6 in 1996 ($26.2 in 1995).

Pretax earnings in the United States in 1996 were $4.5 ($1.5 loss in 1995), after deducting depreciation of $10.1 ($11.1 in 1995) and including gains on disposal of assets of $0.5 ($0.1 in 1995). Resulting cash from operations in 1996 was $13.7 ($9.3 in 1995).

Long term debt and lines of credit Trimac Limited followed the policy of providing each subsidiary, including Trimac Transportation Services, with equity sufficient to allow the subsidiary to borrow based on its own balance sheet; Trimac Corporation has not guaranteed the debt of subsidiary companies. Trimac Limited had unused lines of credit at December 31, 1996 of $15.0 for the operating facility and $20.0 for the term facility.

The following outlines the changes in Trimac Transportation Services' long term debt during 1996 and 1995:

	1996	1995
Balance at beginning of year	**$75.7**	$78.5
Increase in long term debt	**17.1**	2.2
Increase arising from acquisitions	**1.2**	—
Foreign exchange adjustments	**—**	(0.8)
	94.0	79.9
Repayments of long term debt	**(14.0)**	(4.2)
Balance at end of year	**$80.0**	$75.7

Unused lines of credit of Trimac Transportation Services amounted to $8.9 for the operating line and $49.4 for the term facility. The term facility may be used to the extent of 90% of net book value of vehicles. The operating facility is generally limited to 75% of current accounts receivable.

Trimac Transportation Services purchased $20.0 million of interest rate caps in 1996 that will cover the three year period from January 1, 1997 to December 31, 1999 with strike prices of 6.5% in 1997 and 10.0% in each of 1998 and 1999 based on Canadian Bankers Acceptances.

Other than the above, borrowings are generally at floating rates. At current debt levels, a one percent increase in the prime or base rate will reduce net earnings by approximately $0.45 ($0.01 per share).

Provided 90% of the net book value of vehicles, as defined, exceeds the related outstanding long term bank debt, no principal repayments are required.

Generally, cash balances are not maintained as cash is used to pay down operating and revolving lines of credit. At December 31, 1996, the cash balance was primarily with respect to the insurance program.

Trimac Transportation Services anticipates it will have adequate financial resources to fund the ongoing operations and future growth of its business.

Outlook Overall, the outlook for Trimac Transportation Services is positive with improved earnings anticipated in 1997.

Trimac Transportation Services is expecting results in Canada to continue to reflect overall stable levels of economic activity. A continued focus on improving the quality of service delivered to customers will require further investments in personnel training and information systems. In the United States, the movement of shippers away from requiring a dedicated fleet will continue to affect margins, and efforts in 1997 will concentrate on developing further backhaul opportunities. The improved results in 1996, due in part to improved equipment utilization, are expected to continue in the U.S. operations in 1997.

As the largest bulk trucking company in North America, with effective decentralized operations management and a strong balance sheet, Trimac Transportation Services is well positioned to take advantage of ongoing and anticipated changes in the bulk trucking industry. These include continued industry consolidation, industry partnering and inter modalism (synergistic links between trucking and other forms of transportation, such as rail), increasing demand for total contract logistics and increasing technological sophistication.

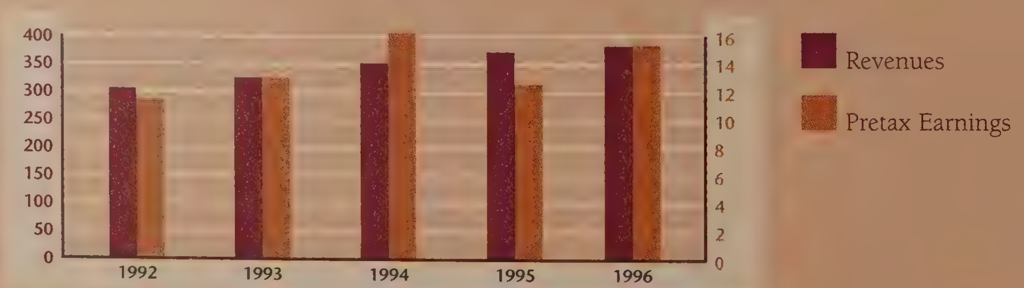
Truck Fleet Management — Rentway

Rentway provides truck fleet management services, including full-service leasing, rentals, maintenance and repair services, across Canada and in several proximate U.S. markets.

Results — Rentway

	1996	1995
Revenues	**$127.9**	$114.5
Pretax earnings	**$ 5.1**	$ 5.0

TRANSPORTATION SERVICES
(millions of dollars)



Revenues The growth in revenues was derived from core business activities with full service lease revenues up 14% and "Trukcare" (maintenance service) revenues up 26% over the prior year. The growth in the full service lease business was driven, in part, by increasing business with fleet management customers; companies out-sourcing the management of their fleets, while retaining their drivers. Total revenues from Rentway's expanding U.S. operations were $7.2, up 23% from 1995.

Pretax earnings While significant improvements were achieved in revenues and operations, pretax earnings in 1996 were flat compared to 1995. This was, in part, as a result of gains on disposal of vehicles being down approximately $1.0. Direct costs, as a percentage of revenue, were up 3% ($3.5) primarily as a result of the increasing proportion of "Trukcare" business activity, which has a high proportion of direct costs associated with the revenue it generates.

Capital expenditures Net capital expenditures decreased from $61.2 in 1995 to $51.9 in 1996. During 1995 and 1996, through a series of transactions, Rentway acquired tractor/trailer fleets of two significant customers and leased them back to those customers for use by them in the conduct of their business operations.

Financial resources and liquidity — cash from operations While pretax earnings were flat, cash from operations increased to $43.3 from $39.3 in 1995. This was primarily a result of an increase in depreciation of $3.2 and a reduction of gains on sale of $1.0. Cash from operations combined with new net long term debt ($6.6) were used to finance net capital expenditures of $51.9.

Long term debt and lines of credit Trimac Limited followed the policy of providing each subsidiary with equity sufficient to allow the subsidiary to borrow based on its own balance sheet; Trimac Corporation has not guaranteed the debt of subsidiary companies.

The following outlines the changes in Rentway's long term debt during 1996 and 1995:

	1996	1995
Balance at beginning of year	**$152.0**	$127.6
Increase in long term debt	**82.5**	90.6
Repayments of long term debt	**(75.9)**	(66.2)
Balance at end of year	**$158.6**	$152.0

Net capital expenditures were $51.9 in 1996 and $61.2 in 1995. Cash from operations was $43.3 in 1996 and $39.3 in 1995. The above net increases in long term debt ($6.6 and $24.4 respectively) were used to finance part or all of net capital expenditures not covered by cash from operations.

Leverage is required in the leasing business in order to earn an acceptable return on equity. Rentway targets for a long term debt to equity ratio between 5:1 and 6:1. Rentway also generally fixes the interest rate on debt used to finance assets which are under full service lease. This results in approximately 75% of Rentway's debt being at fixed rates for the term of the lease. Financing for rental vehicles (term usually less than one year) is generally done at floating rates.

Unused lines of credit amounted to $9.3 for the operating facilities and $60.7 for the term facilities at December 31, 1996. The term facility may be used to the extent of approximately 90% of the cost of new vehicles.

Rentway anticipates it will have adequate financial resources to fund the ongoing operations and future growth of its business.

Outlook The outlook for Rentway is positive. The high profile for truck safety issues, combined with Rentway's commitment to quality and demonstrated success in the growing market for out-sourcing of truck fleet management services, should position Rentway to further increase the value-added nature of its services and, in turn, the profitability of its business.

Interest

In Trimac Transportation Services, although long term debt was up $4.3 and bank advances were up $3.9 at December 31, 1996, interest expense was down $1.3 due to lower interest rates. In Rentway, interest expense remained approximately unchanged as the effect of increased debt was offset by lower rates.

Income Taxes

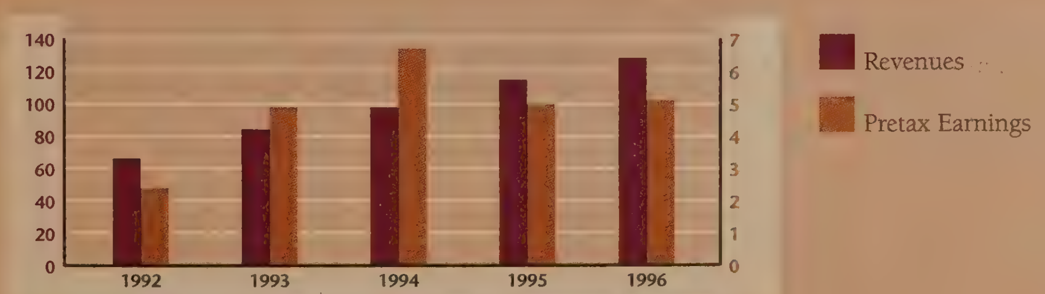
Earnings before income taxes and minority interest were $16.6 in 1996 and $14.8 in 1995. The tax provision in 1996 amounted to $5.0 (an effective rate of 30.2%) compared to 1995 when the provision was $9.4 (an effective rate of 63.7%). The tax rate in 1996 was reduced as a result of recognizing the benefit of loss carryforwards in the U.S. operations of Trimac Transportation Services but was partially offset by capital taxes. The tax rate in 1995 was affected by losses in U.S. transportation for which benefits were not recognized and by capital taxes.

Associated Corporations

The 1996 share of earnings amounted to $10.0, up from $8.5 in 1995. In 1995 there was a gain on the sale of a division of IITC Holdings Ltd. in the amount of $17.4. Management Discussion and Analysis of the financial results of associated corporations is contained in their annual reports as all of them, with the exception of Bantrel, are public corporations.

MD & A

TRUCK FLEET MANAGEMENT (LEASING)
(millions of dollars)



Management Report

The accompanying financial statements are the responsibility of management and have been prepared in accordance with generally accepted accounting principles and, where appropriate, reflect estimates based on management's judgment. In addition, all other financial and operating information contained in this annual report is the responsibility of management and is consistent with the information in the financial statements.

Adequate systems of internal control are maintained to provide reasonable assurance as to the completeness and accuracy of all financial information as well as to safeguard assets. These internal controls include the delegation of authority and the segregation of responsibilities in accordance with policies and procedures.

The Board of Directors appoints an Audit Committee which is comprised of non-management directors. The Audit Committee meets at least twice a year with management and Price Waterhouse, the external auditors. The Committee reviews, among other things, accounting policies, annual financial statements, the results of the external audit examination and the management discussion and analysis included in the annual report. The Audit Committee reports its finding to the Board of Directors so that the Board may properly approve the annual financial statements.

J. R. McCaig
Chairman

J. J. McCaig
President and Chief Executive Officer
February 12, 1997

Auditors' Report

To the Shareholders of
TRIMAC CORPORATION

We have audited the consolidated balance sheets of Trimac Corporation as at December 31, 1996 and 1995 and the consolidated statements of earnings, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Trimac Corporation as at December 31, 1996 and 1995 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles as described in Notes A and 1.

Price Waterhouse

Chartered Accountants
Calgary, Alberta
February 12, 1997

Consolidated Statement of Earnings

	Year ended December 31	
(thousands of dollars except per share amounts)	1996	1995
REVENUES	$518,791	$493,662
OPERATING COSTS AND EXPENSES		
Direct	335,780	319,211
Depreciation and amortization	71,135	67,350
Selling and administrative	79,867	77,540
Gain on sale of assets (net)	(3,091)	(4,614)
	483,691	459,487
OPERATING EARNINGS (Note 1)	35,100	34,175
Interest – long-term debt	17,417	18,594
– other interest (net)	1,107	818
	18,524	19,412
EARNINGS BEFORE TAXES	16,576	14,763
Income tax expense (Note 4)	5,010	9,412
EARNINGS BEFORE ASSOCIATED CORPORATIONS AND MINORITY INTEREST	11,566	5,351
Associated corporations (Note 5)	9,951	25,946
Minority interest	(96)	(173)
NET EARNINGS	$ 21,421	$ 31,124
NET EARNINGS PER SHARE	$ 0.53	$ 0.77

Consolidated Statement of Retained Earnings

	Year ended December 31	
(thousands of dollars)	1996	1995
RETAINED EARNINGS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	$147,218	$125,743
Adjustment – accounting policy change (Note 2)	(1,690)	(1,690)
Adjustment – tax reassessment (Note 2)	—	(750)
RETAINED EARNINGS, BEGINNING OF YEAR, AS RESTATED	145,528	123,303
Net earnings	21,421	31,124
Dividends paid by Trimac Limited	(7,291)	(7,244)
Reduction as a result of the purchase of common shares	(65)	—
Other equity changes	7,291	(1,655)
RETAINED EARNINGS, END OF YEAR	$166,884	$145,528

Consolidated Balance Sheet

(thousands of dollars)	December 31 1996	1995
ASSETS		
CURRENT ASSETS		
Cash and term deposits	$ 4,170	$ 3,619
Accounts receivable	55,250	60,184
Materials and supplies	6,417	5,693
Prepaid expenses	16,778	17,375
	82,615	86,871
INVESTMENTS IN ASSOCIATED CORPORATIONS (Note 5)	133,029	115,231
NOTES RECEIVABLE AND DEFERRED CHARGES	3,306	773
CAPITAL ASSETS, NET (Note 7)	375,776	351,491
GOODWILL AND AUTHORITIES	5,837	5,597
	$600,563	$559,963
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank advances, secured (Note 8)	$ 15,251	$ 12,514
Accounts payable and accrued	60,056	53,703
Income taxes payable	2,635	3,101
Current maturities of long term debt (Note 9)	2,624	2,455
	80,566	71,773
LONG TERM DEBT (Note 9)	238,246	227,893
DEFERRED INCOME TAXES (Note 4)	26,745	27,179
MINORITY INTEREST	2,412	2,316
	347,969	329,161
SHAREHOLDERS' EQUITY		
Common share capital (Note 10)	81,498	81,141
Cumulative translation adjustment	4,212	4,133
Retained earnings (Note 2)	166,884	145,528
	252,594	230,802
CONTINGENCIES AND COMMITMENTS (Note 12)		
	$600,563	$559,963

Approved by the Board:

J. R. McCaig

Director

Director

Consolidated Statement of Changes in Financial Position

(thousands of dollars)	Year ended December 31 1996	1995
CASH PROVIDED (USED)		
OPERATIONS		
Net earnings	$ 21,421	$ 31,124
Depreciation and amortization	71,135	67,350
Gain on sale of assets (net)	(3,091)	(4,614)
Deferred income taxes	(7,856)	3,740
Associated corporations (Note 5) – net earnings	(9,951)	(8,543)
– gain on sale	—	(17,403)
Other	(177)	(225)
CASH FROM OPERATIONS	71,481	71,429
Net change in non cash working capital balances	8,165	(3,387)
NET CASH FLOW	79,646	68,042
INVESTMENTS		
Purchase of capital assets	(122,754)	(128,223)
Proceeds on sale of capital assets	34,914	33,608
Net capital expenditures	(87,840)	(94,615)
Investment in associated corporations (Note 5)	(13,180)	(6,783)
Investment in subsidiary companies (Note 6)	(2,374)	—
Proceeds on disposal of investment (Note 5)	4,442	17,769
Other	(1,062)	2,108
CASH USED BY INVESTMENTS	(100,014)	(81,521)
FINANCING		
Increase in long term debt	24,115	28,407
Repayments of long term debt	(14,766)	(4,592)
	9,349	23,815
Net change in bank advances	2,737	3,214
Increase in common shares	697	—
Common share dividends	(7,291)	(7,244)
Shares purchased for cancellation	(95)	—
Other interdivisional advances and changes in equity	15,522	(7,486)
CASH PROVIDED BY FINANCING	20,919	12,299
Increase (decrease) in cash	551	(1,180)
Cash, beginning of year	3,619	4,799
CASH, END OF YEAR	$ 4,170	$ 3,619

(tabular amounts in thousands of Canadian dollars)

NOTE A – Plan of Arrangement and Financial Statement Presentation

On February 1, 1997, Trimac Limited completed a Plan of Arrangement whereby Trimac Limited was divided into two public companies, Trimac Corporation and Kenting Energy Services Inc. ("Kenting").

Trimac Corporation and its subsidiaries ("Trimac Corporation Consolidated") own 100% of the transportation and leasing businesses, 60% of the U.S. environmental services business and minority interests in the businesses of the associated corporations ("Transportation") previously owned by Trimac Limited. Kenting and its subsidiaries own the oil and gas drilling business and the minority interest in Computalog ("Drilling") previously owned by Trimac Limited.

These consolidated financial statements are presented on the basis that Transportation has existed and been owned by Trimac Corporation Consolidated for as long as Trimac Limited owned Transportation. The amounts are the historical amounts related to the Transportation division of Trimac Limited. The stated amount of share capital of Trimac Limited has been allocated to Drilling and Transportation using the estimated relative values of the operating or business assets of each. Retained earnings represents the balance of historical shareholders' equity of each at December 31, 1996. Earnings per share are based on the number of shares issued and outstanding of Trimac Limited.

In prior years, certain deductions for tax purposes were shared between the Drilling and Transportation divisions. For purposes of these financial statements, the tax provision charged to earnings has been based on the pretax accounting income of each division while deferred taxes, reflected in the balance sheets, have been based on the remaining timing differences in each division.

NOTE 1 – Summary of Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Principles of consolidation

These consolidated financial statements include the accounts of Trimac Corporation and its subsidiaries engaged in Transportation, which subsidiaries are 100% owned except the U.S. environmental services subsidiary which is 60% owned.

Due to the nature of its long term leasing contracts with customers, the leasing and rental subsidiary prepares a non classified balance sheet which is consolidated without adjustment.

Investments in associated corporations, other than Newalta Corporation, are accounted for by the equity method. Under the equity method, the cost of the investment, including goodwill at acquisition, is adjusted for Trimac Corporation's share of undistributed earnings or losses, goodwill amortization and capital transactions.

Financial instruments

During 1996, Trimac Corporation Consolidated adopted new Canadian Institute of Chartered Accountants standards for the presentation and disclosure of financial instruments. Trimac Corporation Consolidated does not hold or issue derivative financial instruments for trading purposes.

Capital assets

Depreciation is provided at rates which will amortize costs to estimated residual values, over the assets' estimated useful lives, mainly as follows:

Asset	Depreciation method	Estimated useful life (years)
Highway tractors	Varying percentages of original cost (residual - 5%)	7
Highway trailers	Straight line (residual - 4%)	7 - 10
Rental vehicles	Varying percentages of original cost	3
Lease vehicles	Varying percentages of original cost	3 - 5
Plant and equipment	Straight line	7 - 15
Buildings and other	Various	4 - 25

Interest and other costs (including software development) are capitalized with respect to assets under construction. Such costs capitalized in 1996 were $1.2 million (1995 - $nil).

(tabular amounts in thousands of Canadian dollars)

NOTE 1 – CONTINUED

Goodwill and authorities

Goodwill and authorities are being amortized on a straight line basis primarily over periods of up to 10 years. The value of the unamortized portion of goodwill is assessed for impairment annually by reference to the entity's operating income.

Earnings per share

Earnings per share have been calculated based upon the weighted average number of shares outstanding in Trimac Limited.

Reclassification

Certain amounts have been reclassified from those presented in prior periods and in a release dated February 21, 1997. Revenues, net earnings, earnings per share and cash from operations are unchanged.

NOTE 2 – PRIOR PERIOD ADJUSTMENTS

(a) Accounting policy change

During 1996, a change in accounting policy was made whereby goodwill acquired prior to 1974 was retroactively amortized over a period of ten years. At December 31, 1994, retained earnings and goodwill and authorities were decreased by $1,690,000.

(b) Tax reassessment

During 1995, a tax reassessment relating to the 1989 fiscal year was received, increasing income for tax purposes by $1,723,000. Although an appeal has been filed, tax expense of $750,000 relating to the reassessment has been provided by the Corporation. At December 31, 1994, retained earnings was decreased and deferred income taxes was increased by $750,000.

NOTE 3 – FINANCIAL INSTRUMENTS

While the availability of derivative financial instruments with respect to foreign exchange and interest rates is monitored, it has not been considered necessary to hedge such items, other than as outlined below.

Financial assets and liabilities include those reflected on the balance sheet (cash, accounts receivable, accounts payable) and, given their current nature, are considered to be shown at fair value.

Trimac Transportation Services hauls a wide variety of bulk commodities for a broad customer base which spans numerous industries. Longer term hauling contracts are generally with large, well established customers. Given the strength and diversity of the customer base, the credit risks are not considered overly concentrated. Bad debts have not been material.

Virtually all long term debt of Trimac Transportation Services is subject to floating interest rates which approximate rates currently available for debt with similar terms and maturities. Accordingly, the fair value of long term debt is not considered materially different than the amounts reflected in the balance sheet.

Trimac Transportation Services purchased $20.0 million of interest rate caps in 1996 that will cover the three year period from January 1, 1997 to December 31, 1999 with strike prices of 6.5% in 1997 and 10.0% in each of 1998 and 1999 based on Canadian Bankers Acceptances.

Long term leases with customers in the leasing division (Rentway) in Canada are funded with fixed rate debt matched to the lease term. U.S. assets are funded with U.S. debt which is generally matched to the lease terms and amounts. Long term operating lease contracts with customers have some of the characteristics of financial assets and, except for the current month, are not recognized on the balance sheet. The gross amounts and discounted amounts of such leases are as follows:

Amounts due in:	Gross	Discounted at 7%
1997	$ 53,645	$ 50,136
1998	46,185	40,339
1999	34,150	27,877
2000	21,943	16,740
2001	13,384	9,543
Thereafter	5,080	3,385
	$ 174,387	$ 148,020

(tabular amounts in thousands of Canadian dollars)

NOTE 3 – CONTINUED

The above amounts comprise only the fixed portion of full service lease payments; the costs for the related future maintenance have not been deducted. Future revenues from short term rentals and proceeds on disposal of vehicles are not included in the above amounts.

These contracts are generally with well established entities, primarily across Canada, and no single customer represents greater than 10% of the above amounts. Accordingly, there is not considered to be a concentration of credit risk. Bad debts have not been significant and, if lease payments cease, the vehicle may be repossessed.

For floating rate debt, the stated amount of outstanding principal is considered fair value. Rentway's fixed rate debt was $116,052,000 at December 31, 1996. The estimated fair value using the present value of expected cash outlays for principal and interest based on an estimated rate for long term debt with similar terms and remaining maturities was $117,945,000.

Rentway's exposure to interest rate risk with respect to fixed rate, long term debt outstanding at December 31, 1996 is summarized as follows:

Interest rates:		Maturity dates of principal			
From	To	1997	1998 - 2001	After 2001	Total
5.00%	6.99%	$ 8,640	$10,072	$138	$ 18,850
7.00%	8.99%	24,053	53,441	293	77,787
9.00%	11.00%	5,823	13,592	—	19,415
		$38,516	$77,105	$431	$116,052

The above risk is mitigated by payments from customers under long term leases which are matched to the applicable long term fixed rate debt.

NOTE 4 – INCOME TAXES

The income tax provision is comprised of the following:

	Year ended December 31	
	1996	1995
Current	$ 12,866	$ 5,672
Deferred	(7,856)	3,740
	$ 5,010	$ 9,412

The provision varies from what would otherwise be expected for the following reasons:

	Year ended December 31			
	1996		1995	
	Amount	Percent of earnings before tax	Amount	Percent of earnings before tax
Computed "expected" tax	$ 7,393	44.6	$ 6,525	44.2
Recognition of previously unrecorded loss benefits	(3,280)	(19.8)	—	—
Loss for which no tax benefit has been recognized	—	—	780	5.3
Capital taxes	1,537	9.3	1,397	9.5
Other	(640)	(3.9)	710	4.7
	$ 5,010	30.2	$ 9,412	63.7

(tabular amounts in thousands of Canadian dollars)

NOTE 4 – CONTINUED

Loss carryforwards in the United States for which no benefits have been recorded total $US 43,582,000 at December 31, 1996. These losses expire as follows: 1998 - $26,826,000; 1999 - $12,190,000; 2000- $472,000; 2002 - $1,702,000; 2006 - $1,279,000; 2010 - $1,113,000.

During 1989, the Trimac Limited consolidated group acquired two contract drilling businesses. One of the assets acquired related to $142.5 million of losses and tax costs in excess of book costs carried forward for income tax purposes. As at December 31, 1995, these losses and costs had been claimed for accounting and income tax purposes in their entirety and, as a result, a cumulative benefit of $22.8 million had been recognized as income. The claim for these losses and costs is subject to the ultimate acceptance by taxing authorities. In the opinion of management, such claim will be accepted.

NOTE 5 - ASSOCIATED CORPORATIONS

Transportation's share of net earnings from investments in associated corporations and the related carrying and market value at December 31 were as follows:

		at December 31					
		1996			1995		
	% owned	Net earnings (loss)	Carrying value	Market value	Net earnings (loss)	Carrying value	Market value
Banister Foundation Inc.	22.4	$ 2,026	$ 26,082	$ 25,084	$ 120	$ 24,264	$ 15,386
Bantrel Inc.	25.0	517	1,239	1,239	184	972	972
BOVAR Inc.	49.8	2,427	22,394	33,250	5,212	20,351	46,942
Chauvco Resources Ltd. (c)	14.2	4,852	55,911	96,909	3,633	50,819	84,194
IITC Holdings Ltd. (b)	39.7	(328)	7,186	7,774	(700)	11,803	11,660
Taro Industries Limited (d)	19.7	457	7,442	4,214	94	7,022	3,246
Newalta Corporation (a)	9.5	—	12,775	19,750	—	—	—
		$ 9,951	$133,029	$188,220	$ 8,543	$115,231	$ 162,400
Net gain on sale of division of IITC Holdings Ltd. (b)					$ 17,403		

Investments in associated corporations were as follows:

	Year ended December 31	
	1996	1995
Newalta Corporation (a)	$ 12,775	$ —
Chauvco Resources Ltd. (c)	—	6,300
Taro Industries Limited (d)	—	583
Other	405	(100)
	$ 13,180	$ 6,783

(a) In June 1996, Trimac Limited sold its Canadian waste reduction and recycling assets to Newalta Corporation in exchange for 2.3 million common shares valued at $12.1 million. Subsequent to this transaction, an additional 200,000 shares were purchased for total consideration of $700,000 resulting in an ownership interest of slightly under 10% which will be accounted for under the cost method. The results of the Canadian waste reduction and recycling operations have been recorded in the drilling division.

(tabular amounts in thousands of Canadian dollars)

NOTE 5 – CONTINUED

(b) Effective September 30, 1995, IITC sold its petroleum software division, recording a pretax gain of $US 50.3 million. The shareholders of IITC also approved the voluntary liquidation of all other assets and the distribution of the proceeds thereof to the shareholders (after paying or otherwise providing for all liabilities). A $US 16.1 million provision for asset impairment, estimated future operating losses and closure and liquidation costs was recorded by IITC. The net effect was an inclusion in IITC's income of $US 34.2 million of which Transportation's share was $20.4 million ($17.4 million after tax). In November 1995, after completion of the sale of the petroleum division, IITC distributed $8.00 per share to its shareholders, of which Transportation's share was $17.8 million. In December 1996, IITC distributed an additional $2.00 per share to its shareholders, of which Transportation's share was $4.4 million.

(c) Transportation purchased 400,000 shares of Chauvco for $6.3 million pursuant to a March 1995 share issue by Chauvco. The participation was at less than Transportation's pro rata interest and a gain on dilution of $727,000 was recorded.

(d) In 1995, Transportation purchased additional shares of Taro for an aggregate consideration of $583,000 increasing its ownership from 15.0% to 19.7%. The purchase price paid was $1,046,000 less than Taro's book value of the shares acquired. This credit is being amortized over eight years.

NOTE 6 – INVESTMENT IN SUBSIDIARY COMPANIES

In March 1996, Transportation acquired 100% of the common shares of Bartlett Transport Limited, a bulk transportation company, for cash consideration of $1.8 million. In November 1996, an investment in C. Gibson Holdings Ltd. was made through Northern Resource Trucking Limited Partnership (accounted for by the joint venture method) for $600,000.

NOTE 7 – CAPITAL ASSETS

The cost of capital assets and net book value at December 31 by major classification are as follows:

	1996		1995	
	Cost	Net book value	Cost	Net book value
Highway transportation equipment	$ 248,614	$ 105,936	$ 232,751	$ 96,920
Lease and rental vehicles	279,433	190,786	250,076	178,589
Plant and equipment	3,524	3,254	7,677	7,205
Other	66,962	24,440	53,494	18,330
	598,533	324,416	543,998	301,044
Land, buildings and yard improvements	70,325	51,360	66,324	50,447
	$ 668,858	$ 375,776	$ 610,322	$ 351,491

NOTE 8 – BANK ADVANCES

Bank advances, secured primarily by accounts receivable, are at rates generally at prime with other rate options. Unused credit lines totalled $33.2 million at December 31, 1996.

(tabular amounts in thousands of Canadian dollars)

NOTE 9 – LONG TERM DEBT

Details of long term debt at December 31, including aggregate annual repayments required over the next five years, are as follows:

	1996	1995
Transportation services		
Canada (a)	$ 66,830	$ 50,019
U.S.A. (b)	10,998	23,732
	77,828	73,751
Truck fleet management (leasing) (c)	158,596	152,044
Environmental	1,822	2,098
	$ 238,246	$ 227,893

(a) The loans are secured by certain highway transportation equipment and certain real estate properties under floating charge debentures. Interest rates are floating at Canadian prime to prime plus 3/8% with other rate options. The amounts outstanding are mainly revolving and may be terminated by defined notice. On termination, the loans are repayable over a period of seven to eight years.

(b) The loans include revolving loans and are secured by certain highway transportation equipment and certain real estate properties. Interest rates are floating and range from U.S. base to U.S. base plus 1/2% with other rate options. The revolving loans may be terminated by defined notice. On termination, the loans are repayable over a period of six to eight years.

(c) The loans are secured by certain lease and rental vehicles. Interest rates are fixed and floating. Fixed rates range from 5.25% to 10.25% and floating rates generally range from Canadian prime to prime plus 1%, with other rate options. The amounts outstanding are revolving and may be terminated by defined notice. On termination, the loans are repayable over periods of up to five years.

(d) Unused lines of credit totalled $130.1 million at December 31, 1996.

(e) Amounts of long term debt repayable in the years ending December 31 are:

	Leasing and Rentals	Other
1997	$ 51,271	$ 2,624
1998	50,054	2,391
1999	31,944	1,952
2000	19,062	2,015
2001	5,503	1,270
Thereafter	762	72,022

Long term debt payments in the leasing and rentals division will not be made out of existing current funds but rather mainly out of the following years' collections on long term leases and proceeds from disposal of leased vehicles. Accordingly, the leasing and rentals subsidiary prepares a non classified balance sheet at the corporate level which is consolidated without adjustment.

(f) Certain of the long term debt is payable in U.S. dollars. The Canadian dollar equivalent of this debt was $21,251,000 at December 31, 1996.

(tabular amounts in thousands of Canadian dollars)

NOTE 10 – SHARE CAPITAL

Trimac Limited had authorized 50,000,000 Class A Preferred Shares, 50,000,000 Floating Rate Cumulative Redeėmable Retractable Class B Preferred Shares, 320,000 9.12% Cumulative Redeemable First Preferred Shares, Series A and 113,500 Redeemable Retractable Convertible Second Preferred Shares. None of these shares were issued as at December 31, 1996 and December 31, 1995.

	Issued	
Common shares	**Number**	**Amount**
Common shares without nominal or par value		
(authorized 100,000,000 shares)		
Issued as at December 31, 1995	40,500,805	$ 151,666
Stock options exercised	61,200	697
Shares purchased for cancellation	(8,100)	(30)
Issued as at December 31, 1996	40,553,905	$ 152,333

The stated amount of share capital, as outlined in the Plan of Arrangement, has been allocated as follows:

Transportation – Trimac Corporation	53.5%	$ 81,498
Drilling – Kenting Energy Services Inc.	46.5%	70,835
		$152,333

At December 31, 1996 the following common shares of Trimac Limited were reserved for options granted to officers and employees:

Date granted	Expiry date	Price per share	Number of shares
November 7, 1991	January 10, 1997	$ 9.12	7,000
March 5, 1992	March 4, 1997	8.62	24,800
March 4, 1993	March 3, 1998	13.25	385,600
May 5, 1994	May 4, 1999	16.00	10,000
August 11, 1994	August 10, 1999	16.12	174,400
November 23, 1994	November 22, 1999	12.87	10,500
November 23, 1995	November 22, 2000	11.75	307,700
February 27, 1996	February 26, 2001	12.25	70,000
			990,000

Of the options outstanding, 788,400 were reserved for officers and employees of Trimac Corporation.

(tabular amounts in thousands of Canadian dollars)

NOTE 11 - SEGMENTED INFORMATION

Transportation conducts its business through wholly owned subsidiaries and associated corporations. The subsidiaries' operations are in two business segments: transportation services which is the highway transportation of bulk commodities and truck fleet management (leasing). The associated corporations' operations include engineering and construction (engineering), oil and gas exploration and production and oilfield equipment supply (oil and gas) and environmental services (environmental).

By Industry segment – December 31, 1996	Operating revenues	Earnings before taxes	Depreciation and amortization	Capital expenditures	Identifiable assets
Subsidiaries:					
Transportation services	$ 382,691	$ 21,050	$ 28,633	$ 41,644	$ 227,677
Truck leasing	127,893	17,429	41,611	80,333	226,394
Other	8,207	(3,379)	891	777	13,463
	518,791	35,100	71,135	122,754	467,534
Associated corporations (a)					
Engineering	—	—	—	—	27,321
Oil and gas	—	—	—	—	70,539
Environmental	—	—	—	—	35,169
	—	—	—	—	133,029
	518,791	35,100	71,135	122,754	600,563
Interest	—	(18,524)	—	—	—
	$ 518,791	$ 16,576	$ 71,135	$ 122,754	$ 600,563

By Industry segment – December 31, 1995	Operating revenues	Earnings before taxes	Depreciation and amortization	Capital expenditures	Identifiable assets
Subsidiaries:					
Transportation services	$ 371,277	$ 19,489	$28,329	$ 34,725	$220,586
Truck leasing	114,537	17,333	38,364	91,250	211,991
Other	7,848	(2,647)	657	2,248	12,155
	493,662	34,175	67,350	128,223	444,732
Associated corporations (a)					
Engineering	—	—	—	—	25,236
Oil and gas	—	—	—	—	69,644
Environmental	—	—	—	—	20,351
	—	—	—	—	115,231
	493,662	34,175	67,350	128,223	559,963
Interest	—	(19,412)	—	—	—
	$ 493,662	$ 14,763	$67,350	$128,223	$559,963

(tabular amounts in thousands of Canadian dollars)

NOTE 11 - CONTINUED

	December 31					
	1996			1995		
By Geographic area	Operating revenues	Earnings before taxes	Identifiable assets	Operating revenues	Earnings before taxes	Identifiable assets
Canada	$ 362,845	$ 27,618	$ 361,435	$336,261	$ 31,523	$ 329,183
United States	155,946	7,423	100,724	157,401	2,591	110,070
Other	—	59	5,375	—	61	5,479
	518,791	35,100	467,534	493,662	34,175	444,732
Associated corporations (a)	—	—	133,029	—	—	115,231
	518,791	35,100	600,563	493,662	34,175	559,963
Interest	—	(18,524)	—	—	(19,412)	—
	$ 518,791	$ 16,576	$ 600,563	$493,662	$ 14,763	$ 559,963

(a) Associated corporations' results are not consolidated on a line by line basis, therefore operating revenues, earnings before taxes, depreciation and amortization and capital expenditures are not applicable. Identifiable assets represent carrying value.

NOTE 12 - CONTINGENCIES AND COMMITMENTS

(a) As at December 31, 1996, Transportation had lease commitments of $28,782,000. Required annual payments are as follows:

1997	$ 11,208
1998	7,983
1999	5,287
2000	2,582
2001	1,033
Thereafter	689

(b) Trimac Limited and its subsidiaries were involved in various legal actions which have occurred in the ordinary course of business. Management is of the opinion that losses, if any, arising from such legal actions would not have a material effect on these financial statements.

(c) See income taxes (Note 4).

(d) Under the Plan of Arrangement, each of Trimac Corporation and Kenting have indemnified the other for any liabilities related to the businesses which are to be carried on by that corporation and which arise from activities prior to the effective date of the Plan of Arrangement.

(e) The Plan of Arrangement provides that consolidated net cash and near cash assets and consolidated net investment assets of Trimac Limited at January 31, 1997, will be allocated to each public company in the same proportion, by value, as the consolidated net business assets of Trimac Limited transferred to each public company. This will likely result in a net payment, presently indeterminate in amount but estimated to be in the range of $5.0 to $15.0 million, by Kenting to Trimac Corporation.

J. R. (Bud) McCaig
Chairman of the Board
Trimac Corporation

The Board of Directors of Trimac consists of dedicated individuals committed to principled corporate governance practices and the creation of shareholder value. Five of the eight board members have been part of Trimac's board for more than 10 of the firm's 26 years as a public company.

Our board members, through their wisdom and insight, have played an important role in the long-term consistent growth which has been achieved by Trimac in the past 50 years.

The decision by the board in December 1996 to reorganize Trimac Limited through the "spin-out" of the drilling business evidences the commitment of the board to the maximization of shareholder value.

As mentioned in the Shareholders' Report, D.K. (Doc) Seaman and Tony Vanden Brink have joined the board of Kenting Energy Services Inc. I wish to thank them for their dedicated effort and counsel as members of the Trimac board.

Corporate Governance —

The board of directors of Trimac has the obligation to oversee the conduct of the businesses of the Corporation and to supervise senior management who are responsible for the day-to-day conduct of the businesses. The board of directors has delegated certain of its responsibilities to the audit committee and human resources & corporate governance committee of the board.

Trimac's board of directors and senior management consider good corporate governance to be central to their fundamental obligation to maximize shareholder value. The Corporation has in place a system of corporate governance which the board of directors and senior management believe has an orientation which reflects the nature of the corporation's businesses, organization and decision making structure. Further particulars of the corporate governance practices of Trimac are contained in Trimac's information circular dated March 14, 1997.

Trimac Senior Management

(from left) Robert D. Algar, V.P. Trimac; Andrew B. Zaleski, V.P. Trimac and President Trimac Transportation; Jeffrey J. McCaig, President & CEO, Trimac; Terry J. Owen, V.P. Trimac; Ron W. Waye, V.P. Trimac and President Rentway

The leadership style of Trimac utilizes the diverse set of skills, expertise and experience of senior management and encourages a group decision-making process to review and implement significant strategic decisions. This style of leadership also recognizes and utilizes the abilities and commitment of all of our employees who are so vital in the success of our service businesses.

Senior management's primary role is creating and maximizing shareholder value and to do so in a manner consistent with the company's core values. This responsibility is reinforced through performance-based compensation.

The recent reorganization of Trimac Limited resulted in a new company with a renewed vigour, strength and leadership in the transportation industry. The senior management of Trimac Corporation is committed to continuing the company's history of consistent growth into the 21st century.

Board of Directors

Maurice W. McCaig,
Calgary. Director since 1971
President
Mo-Mac Investments Ltd.

Harold E. Wyatt,
Calgary. Director since 1988
Corporate Director

John M. MacLeod,
Calgary. Director since 1993
Corporate Director

John R. (Bud) McCaig,
Calgary. Director since 1970
Chairman of the Board
Trimac Corporation

Jeffrey J. McCaig,
Calgary. Director since 1990
President and Chief Executive Officer
Trimac Corporation

H. Anthony Hampson,
Toronto. Director since 1987
Corporate Director

Rhys T. Eyton,
Calgary. Director since 1984
Corporate Director

Murrey Dubinsky, *Q.C.,*
Calgary. Director since 1971
President
Administrative Consultants Ltd.

(thousands of dollars, except per share figures)	Year Ended December 31 1996	1995	1994	1993	1992
OPERATIONS					
Revenues	**$ 518,791**	$ 493,662	$ 458,036	$ 458,734	$ 382,737
Operating earnings	**35,100**	34,175	35,051	29,344	23,948
Earnings before taxes	**16,576**	14,763	20,710	15,265	11,592
Earnings before associated corporations and minority interest	**11,566**	5,351	15,308	10,440	6,796
Earnings before unusual and extraordinary items	**21,421**	31,124	23,439	17,626	23,962
Per common share	**0.53**	0.77	0.58	0.44	0.65
Net earnings	**21,421**	31,124	21,564	17,286	23,647
Per common share	**0.53**	0.77	0.53	0.43	0.64
Cash from operations	**71,481**	71,429	73,735	67,882	52,942
Per common share	**1.76**	1.77	1.83	1.72	1.44
Net capital investments:					
Fixed assets	**87,840**	94,615	110,178	136,360	74,134
Acquisitions/investments	**15,554**	6,783	15,526	4,591	17,792
Proceeds on disposal of investments	**4,442**	17,769	—	—	28,208
FINANCIAL POSITION					
Working capital	**2,049**	15,098	15,649	3,510	4,611
Fixed assets, net book value	**375,776**	351,491	321,823	359,719	275,328
Long term debt	**238,246**	227,893	204,780	250,763	182,526
Convertible debenture	—	—	—	—	—
Shareholders' equity	**252,594**	230,802	208,939	175,931	151,058

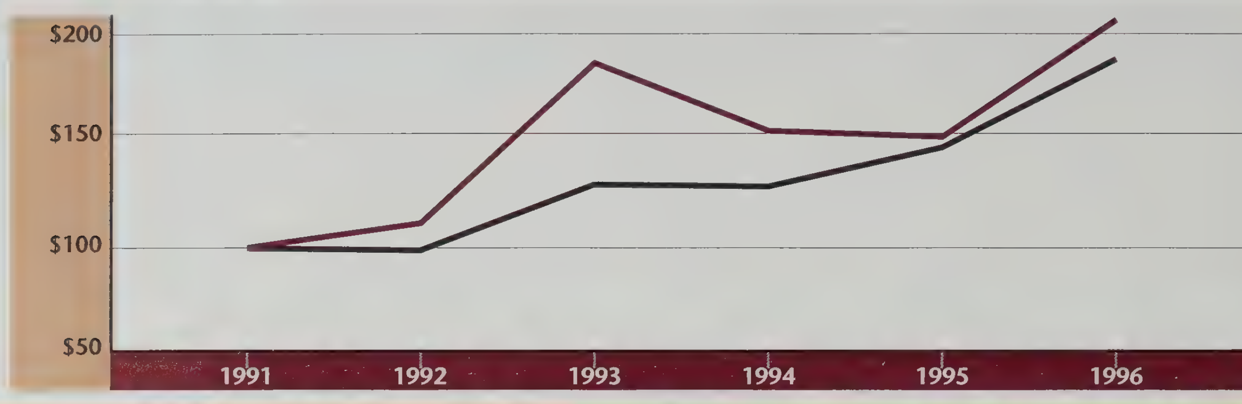
Year Ended December 31

1991	1990	1989	1988	1987	1986	1985
$ 346,456	$ 332,081	$ 290,410	$ 256,976	$ 216,189	$ 205,590	$ 213,371
15,226	19,619	23,651	19,840	16,145	15,039	10,646
4,518	9,030	7,597	7,368	8,170	6,554	2,085
2,534	4,528	3,708	3,464	3,847	735	(327)
17,818	11,173	14,241	11,029	10,084	5,615	1,869
0.48	0.31	0.42	0.32	0.28	0.15	0.05
17,268	11,173	75,884	13,061	9,247	7,127	2,001
0.47	0.31	2.45	0.38	0.25	0.20	0.05
41,658	41,207	36,090	29,605	27,217	24,082	19,736
1.15	1.22	1.19	0.88	0.77	0.68	0.56
44,883	32,758	28,834	43,173	39,636	24,044	27,839
410	52,884	7,269	19,700	1,484	4,287	5,715
16,000	—	118,240	—	—	—	—
(2,699)	4,736	47,695	13,484	13,226	11,259	10,913
184,475	176,475	150,529	145,846	160,182	156,300	151,962
108,116	119,714	94,243	129,181	131,565	130,136	124,346
—	—	30,000	30,000	30,000	—	—
146,903	130,499	114,520	73,478	77,782	62,025	56,063

Shareholder Information

Share Performance (as of December 31)

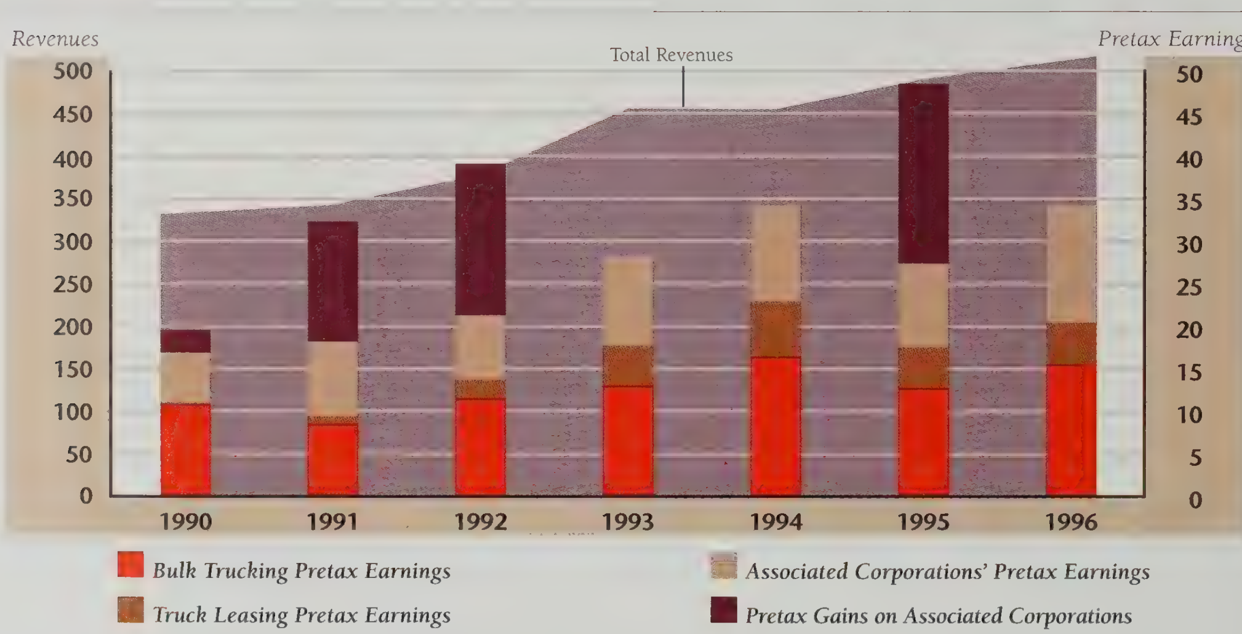
Cumulative value of a $100 investment assuming reinvestment of dividends



	1991	1992	1993	1994	1995	1996
Trimac Limited	*$100*	*$112*	*$190*	*$157*	*$154*	*$211*
TSE 300	*$100*	*$99*	*$131*	*$130*	*$149*	*$192*

Revenues and Pretax Earnings

(millions of dollars)



Dividends (per share)

1996	$0.18	1993	$0.12
1995	$0.18	1992	$0.12
1994	$0.15	1991	$0.10

Scheduled Financial Reporting Dates

First Quarter	May 7, 1997
Second Quarter	August 7, 1997
Third Quarter	November 5, 1997
Fourth Quarter	February 1998

AT A GLANCE

Trimac Corporation At A Glance

Shareholders' Meeting	Wednesday, May 7, 1997 at 10:30 a.m. Metropolitan Centre, 333 - 4 Ave. S.W. Calgary
Shareholder Enquiries	(403) 298-5100
Investor Relations Enquiries	(403) 298-5105
Media Enquiries	Terry J. Owen, Vice President
Stock Exchange Listings	Toronto and Montreal
Ticker Symbol	TMA

TSE Index	Transportation and Environmental Services
Total Employees* (12/31/96)	3,775
Shares Outstanding (12/31/96)	40,553,905
Transfer Agent	R.M. Trust Company (403) 232-2400
Auditors	Price Waterhouse, Calgary

*Includes Leased Operators.

Trimac

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CANADA T2P 2P9

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Email: trimac@agt.net
Website: www.trimac.com

Officers of Trimac Corporation

J.R. (Bud) McCaig	Chairman
Jeffrey J. McCaig	President & C.E.O.
Andrew B. Zaleski	Vice President, Trimac & President, Trimac Transportation Services Inc.
Ron W. Waye	Vice President, Trimac & President, Rentway Ltd.
Robert D. Algar	Vice President, Trimac
Terry J. Owen	Vice President, Trimac

Trimac Transportation and Rentway have an extensive network of facilities across North America. Operations are in 131 locations covering 9 provinces and 22 states.

Trimac Transportation Services Inc.

Canada:

British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland, Nova Scotia

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CORPORATE RESPONSIBILITY

Corporate Citizenship —

Trimac is proud to be an *Imagine* company, donating 1% of its pretax profits annually to a variety of charitable organizations which thereby enhance the economic health and quality of life in the community.

Trimac endeavours to achieve a schedule of balanced giving throughout the year, with a focus on health and education related organizations.

Service with Safety —

Trimac Transportation and Rentway are committed to continuous improvement of safety standards.

Operating personnel are specially trained to maintain a safe working environment for employees, customers and the general public.

TTS and Rentway are active in the establishment of truck safety standards throughout Canada with their participation and leadership in industry associations.

Service with Safety
A demonstration of our commitment to quality service and public safety.

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Transportation Services

Truck Fleet Management

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INTERIM REPORT

1996 Second Quarter Results
For Release July 29, 1996

AR33

Trimac Announces Second Quarter Results

Trimac Limited
Summary of Financial Results
(thousands of dollars except per share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	1996	**1995**	**1996**	**1995**
Revenues	171,336	170,033	361,141	353,862
Net Earnings	7,458	4,204	13,117	10,917
Earnings per share	0.18	0.10	0.32	0.27
Cash from operations	21,940	20,070	49,916	47,684

Second quarter results - Trimac earned $7.5 million ($0.18 per share) in the second quarter of 1996 compared to $4.2 million ($0.10 per share) in the same period last year.

Revenues in transportation services were $97.4 million compared to $95.0 million last year. This increase is due to the inclusion of revenues from the March, 1996 acquisition of Bartlett Transport Limited, a company engaged in the bulk transportation of food grade and edible products based in Ontario, offset somewhat by lower revenues in Western Canada, due to reduced volumes of asphalt and cement. Revenues in the United States were largely unchanged from last year as increases in ore hauling were offset by lower chemical movements. Pretax earnings of $3.3 million in Canada were $0.6 million below last year due mainly to lower equipment utilization arising from weather related delays in the movement of construction materials. Pretax earnings in the United States increased to $1.7 million from $1.0 million last year due to an increase in loaded miles and improved cost controls.

Revenues in drilling services of $38.6 million were 1.4 % below last year. Revenues in the quarter included three months of activity in Argentina, acquired in May, 1995, compared to only one month last year. Revenues in Canadian drilling were below last year, reflecting a longer spring break up in 1996. Pretax earnings of $0.4 million were below the $1.7 million recorded last year due mainly to the lower levels of activity in Canada and losses in Argentina. Results in the U.S. improved compared to last year due to improved day rates and cost reduction efforts.

Revenues in leasing increased to $31.9 million from $28.8 million last year due to growth in full service lease and the provision of maintenance services. Pretax earnings of $1.0 million were below the $1.5 million last year due in part to higher maintenance costs and lower margins in commercial rental activities.

TriWaste earned $1.9 million in the quarter compared to a loss of $1.1 million last year. TriWaste's waste reduction and recycling assets were sold to Newalta Corporation effective at the end of the quarter. Total consideration received was 2.3 million common shares of Newalta which have been valued on Trimac's books at $12.1 million, which resulted in a gain on sale of assets of $2.1 million. Trimac retains its 60% interest in Tacoma, WA based CleanCare Corporation.

Pretax earnings from associated companies were $3.0 million in the second quarter of 1996 compared to $2.1 million last year.

The consolidated effective tax rate in the second quarter was 20.0% compared to 42.8% last year. Lower tax rates were experienced in U.S. transportation and TriWaste due to the utlization of previously unrecognized benefits of tax loss carryforwards.

Net capital expenditures in the quarter were $32.6 million. The net capital expenditure figure was reduced by the $12.1 million of proceeds received on the sale of TriWaste assets referred to above. Excluding this amount, the increase in net capital expenditures is due to higher levels of investment by Canadian transportation to support new business obtained.

As at June 30, 1996, long-term debt was $260.8 million, an increase from $238.7 million at year end. Approximately half of this increase was to support the increased capital expenditures in Canadian transportation with the balance arising to support capital expenditures in Rentway.

For the six months ended June 30, 1996 net earnings were $13.1 million ($0.32 per share) compared to $10.9 million ($0.27 per share) last year.

Other developments

On July 24, 1996 Kenting entered into an agreement to sell its United States drilling assets to Ensign Drilling. This transaction is scheduled to close on or about August 15, 1996. Kenting does not expect a material gain or loss on this transaction.

Kenting has also decided to exit the European drilling market, provided an acceptable price can be obtained for its European business. Expressions of interest have been received but it is too early in the process to determine whether acceptable values can be realized.

On June 28, 1996 Trimac Transportation acquired a 50% interest in Rathwell Transportation Inc., of Moose Jaw, Saskatchewan. Rathwell specializes in grain hauling and has annual revenues of $3 million. Part of the transaction involved Trimac merging its flat deck operation ($2.5 million annual revenue) with Rathwell. This transaction expands Trimac's presence in the truck grain transportation market.

On July 8, 1996 Rentway received ISO-9002-94 certification for all of its Canadian operations. This certification ensures Rentway's customers will receive a consistently high level of quality service across Canada.

Outlook

Kenting continues to experience strong demand for drilling services in Canada, particularly in the shallow segment of the market. This strength is expected to continue through to spring break up in 1997. Although some progress has been made in reducing the level of losses in Argentina, it is clear further steps will need to be undertaken in order to reach a monthly break even level by the end of the year.

Demand for bulk transportation services has improved in Canada from a slow start in the first six months of the year. In the United States, the improved results in the first half of the year are encouraging, with the results of management initiatives achieving anticipated benefits.

In truck leasing, the highly competitive business environment is anticipated to persist. Demand for full service lease and third party maintenance services is expected to continue to grow, but demand for commercial rental units is expected to remain below that of the prior year.

Trimac Limited is a diversified, multinational corporation which provides services in bulk transportation, contract drilling, truck leasing and rental, and environmental services. Trimac had revenues of $722 million in 1995 and employs 5,800 people in operations in Canada and the United States, and has international drilling operations in Europe, South America and the Middle East. Trimac's common shares are traded on the Toronto and Montreal stock exchanges under the symbol TMA.

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TRIMAC LIMITED
CONSOLIDATED BALANCE SHEET

(thousands of dollars)	June 30 1996 (unaudited)	December 31 1995	June 30 1995 (unaudited)
ASSETS			
CURRENT ASSETS			
Cash and term deposits	$ 10,410	$ 8,535	$ 18,203
Accounts receivable	97,720	109,674	113,664
Materials and supplies	7,985	7,783	8,101
Prepaid expenses	21,346	19,094	19,285
	137,461	145,086	159,253
INVESTMENTS AND ADVANCES			
Investments in associated and other companies	132,523	116,375	109,958
Notes receivable and other	2,755	1,709	1,815
	135,278	118,084	111,773
FIXED ASSETS, at cost	848,462	821,856	789,631
Less: Accumulated depreciation	(401,487)	(387,035)	(357,990)
	446,975	434,821	431,641
GOODWILL AND AUTHORITIES	7,952	8,177	7,771
	$ 727,666	$ 706,168	$ 710,438
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Bank advances, secured	$ 26,426	$ 16,294	$ 30,889
Accounts payable and accrued	77,607	89,073	87,359
Income taxes payable (recoverable)	(6,249)	1,478	1,012
Current maturities of long-term debt	6,061	7,997	5,896
	103,845	114,842	125,156
LONG-TERM DEBT	260,839	238,695	255,390
DEFERRED INCOME TAXES	15,779	11,222	10,805
MINORITY INTEREST	2,368	2,316	2,817
SHAREHOLDERS' EQUITY			
Common share capital	151,734	151,666	150,100
Cumulative translation adjustment	2,515	2,601	3,172
Retained earnings	190,586	184,826	162,998
	344,835	339,093	316,270
	$ 727,666	$ 706,168	$ 710,438

TRIMAC LIMITED
CONSOLIDATED STATEMENT OF EARNINGS

(unaudited)	Period ended June 30			
	Three months		Six months	
(thousands of dollars except per share amounts)	1996	1995	1996	1995
REVENUES				
Transportation services	$ 97,350	$ 94,977	$ 185,059	$ 183,830
Drilling services	38,558	39,106	106,854	102,801
Truck leasing & rentals	31,864	28,846	61,705	55,352
Environmental services	3,564	7,104	7,523	11,879
	171,336	170,033	361,141	353,862
OPERATING COSTS AND EXPENSES				
Direct	115,604	116,346	247,499	240,811
Depreciation and amortization	20,603	19,604	40,742	38,284
Selling and administrative	24,648	22,294	48,061	45,959
Gain on sale of assets	(2,834)	(941)	(3,988)	(2,281)
	158,021	157,303	332,314	322,773
OPERATING EARNINGS	13,315	12,730	28,827	31,089
Associated companies -earnings	2,964	2,084	5,251	3,189
-gain on dilution of equity interest	-	-	-	727
Interest expense - long-term debt	(4,592)	(5,117)	(9,334)	(9,690)
Interest - other	(438)	(653)	(673)	(1,010)
General and administrative costs	(1,880)	(1,598)	(3,174)	(2,927)
EARNINGS BEFORE TAXES AND MINORITY INTEREST	9,369	7,446	20,897	21,378
Income tax expense	(1,873)	(3,187)	(7,728)	(10,267)
Minority interest	(38)	(55)	(52)	(194)
NET EARNINGS	$ 7,458	$ 4,204	$ 13,117	$ 10,917
EARNINGS PER SHARE:				
Net earnings	0.18	0.10	0.32	0.27

TRIMAC LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(unaudited)	Period ended June 30			
	Three months		Six months	
(thousands of dollars)	1996	1995	1996	1995
CASH PROVIDED (USED)				
OPERATIONS:				
Net earnings	$ 7,458	$ 4,204	$ 13,117	$ 10,917
Depreciation and amortization	20,603	19,604	40,742	38,284
Gain on sale of assets	(2,834)	(941)	(3,988)	(2,281)
Deferred income taxes	(939)	(1,404)	4,173	3,753
Associated companies -net earnings	(2,297)	(1,394)	(4,049)	(2,387)
-gain on dilution of equity interest	-	-	-	(727)
Other non-cash items	(51)	1	(79)	125
Cash from operations	21,940	20,070	49,916	47,684
Net change in non-cash working capital balances	17,980	11,161	(9,553)	(11,972)
Net cash flow	39,920	31,231	40,363	35,712
INVESTMENTS:				
Purchase of fixed assets	(53,273)	(45,990)	(76,202)	(84,741)
Proceeds on sale of fixed assets	20,655	8,100	30,440	18,067
Net capital expenditures	(32,618)	(37,890)	(45,762)	(66,674)
Investment in subsidiary, associated and other companies	(12,070)	(4,522)	(14,001)	(10,822)
Other	(672)	(257)	(995)	577
Cash used by investments	(45,360)	(42,669)	(60,758)	(76,919)
FINANCING:				
Increase in long-term debt	16,132	28,890	25,899	54,434
Repayments of long-term debt	(1,912)	(3,393)	(6,472)	(8,517)
	14,220	25,497	19,427	45,917
Net change in working capital loans	(5,780)	(6,886)	10,132	5,835
Increase in common share capital	55	173	98	377
Shares purchased for cancellation	-	-	(95)	-
Dividend paid on common shares	-	-	(7,292)	(7,244)
Cash provided by financing	8,495	18,784	22,270	44,885
Net increase in cash	3,055	7,346	1,875	3,678
Cash, beginning of the period	7,355	10,857	8,535	14,525
CASH, END OF THE PERIOD	$ 10,410	$ 18,203	$ 10,410	$ 18,203

Trimac

INTERIM REPORT

1995 Second Quarter Results
For Release July 26, 1995

AR33

...IAC ANNOUNCES SECOND QUARTER RESULTS

TRIMAC LIMITED
SUMMARY OF FINANCIAL RESULTS
(thousands of dollars except per share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	1995	1994	1995	1994
Revenue	$170,033	$152,640	$353,862	$316,571
Earnings before taxes and minority interest	7,446	11,729	21,378	20,591
Net earnings	4,204	9,323	10,917	16,811
Per share	0.10	0.23	0.27	0.41
Cash from operations	20,070	22,530	47,684	44,596

Second quarter results - Trimac earned $4.2 million ($0.10 per share) in the second quarter of 1995 compared to $9.3 million ($0.23 per share) in the same period last year.

Revenues in transportation services were $95.0 million compared to $88.8 million in the second quarter of 1994. Revenues were higher in Canadian operations mainly due to greater volumes of cement hauling in Western Canada and increased chemical business in Eastern Canada. In the United States operations, revenues were also higher than last year as a result of increased chemical hauling business in California. Pretax earnings in transportation of $4.8 million compared to $5.1 million last year. Higher results in the Canadian operations, due to increased volumes, were more than offset by lower results in the United States, due in part to higher health care costs.

Revenues in drilling services of $39.1 million were up $4.1 million from last year. Revenues in 1995 include $3.8 million from the operations in Argentina, which were acquired effective May 1, 1995 (See "Other Developments"). Higher revenues in Canada were almost exactly offset by lower revenues in the United States operations. Pretax earnings in the drilling services division of $1.7 million were down from $3.6 million in 1994. A longer spring break-up in 1995, due to unfavourable weather conditions, was

largely responsible for lower results in the shallow drilling market in Canada. In addition, results in the United States operations were adversely affected by reduced drilling activity due to lower natural gas prices.

Revenues in truck leasing and rentals of $28.8 million were up from the $23.9 million recorded last year due to increased full service lease business and higher revenues from the provision of third party maintenance services. Pretax earnings of $1.5 million were below the earnings of $2.0 million in the second quarter of 1994 due mainly to lower margins in the commercial rental business principally as a result of a slowdown in the economy in Eastern Canada.

Revenues from TriWaste were $7.1 million compared to $5.0 million last year. The pretax loss of $1.0 million in 1995 compares to a pretax loss of $1.7 million in the second quarter of 1994. The improvement in results is principally due to restructuring undertaken earlier in the year.

Pretax earnings from associated companies were $2.1 million versus $3.3 million last year. Improved results from Banister and BOVAR were more than offset by lower results from Chauvco, due, in part, to lower natural gas prices, and from Intera, due to continued weakness in the mapping business.

The consolidated effective tax rate in the second quarter of 1995 was 42.8% compared to 18.9% in the same period in 1994. Most of this increase is attributable to the utilization of tax losses by year end 1994.

Long-term debt at June 30, 1995 was $255.4 million resulting in a debt-to-equity ratio of 0.81 to one. The increase of $46.6 million from year end was principally due to the large capital program at Rentway and the acquisition of drilling operations in Argentina.

Net capital expenditures in the quarter were $37.9 million compared to $41.9 million last year. Approximately $21.5 million of capital was invested by Rentway, mainly in additional full service lease equipment.

"Earnings in the second quarter were weaker than last year as a result of a longer than expected spring break-up, a higher tax rate and lower earnings contributions from our associated companies," said Jeff McCaig, President, Trimac Limited. "A very wet spring in Western Canada significantly slowed the pace at which the oil and gas industry could resume its drilling activity, but high levels of activity have resumed with the improved weather."

Other Developments

In May 1995, Kenting Energy Services Ltd. completed the purchase of Cadesa Compañia Argentina de Servicios Sociedad Anonima ("Cadesa"), an Argentinean land drilling company, for an effective purchase price of U.S. $11.3 million. The purchase, effective May 1, 1995, was completed below the original purchase price of U.S. $13.8 million set out in the letter of intent announced on March 17, 1995. Cadesa had revenues of approximately U.S. $30 million in 1994 and currently owns and operates 13 drilling and workover rigs in Argentina.

In May 1995, Trimac Transportation Services Ltd. announced it had signed a letter of intent to purchase a 58 percent interest in Corporation Provost Ltée ("Provost") of Montreal. Discussions with Provost were terminated on July 18, 1995, when the two companies could not reach a mutually satisfactory purchase price.

Outlook

Mr. McCaig said that the bulk transportation business is well positioned as it heads into the second half of the year. Though the company did not proceed with the purchase of a majority interest in Provost, he said that Trimac is continuing to seek acquisition opportunities in North America. Mr. McCaig said he is pleased with the continued demand for contract drilling services in Canada and the prospects for Kenting's Argentina operation, but added that commodity pricing will have to strengthen before results can improve in the U.S. and European markets where results from drilling are weak. The continued growth in truck leasing, particularly with the growth of its outsourcing business, is encouraging, but growth in commercial rentals will be dependent on the strength of the Canadian economy. He also said that the reduction in operating losses at TriWaste in the second quarter compared to the first quarter are a positive step and that Trimac continues to evaluate the future direction of that company.

Trimac Limited is a diversified, multinational corporation which provides services in bulk highway transportation, contract drilling, truck leasing and rentals, and environmental services. Trimac had revenues of $687 million in 1994 and employs 5,700 employees, primarily in operations in Canada and the United States, with additional drilling operations in Europe, South America and the Middle East. Trimac's common shares are traded on the Toronto and Montreal stock exchanges under the symbol TMA.

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TRIMAC LIMITED
CONSOLIDATED STATEMENT OF EARNINGS

(thousands of dollars except per share amounts)	Period ended June 30 Three months 1995	1994	Six months 1995	1994
REVENUES				
Transportation services	$ 94,977	$ 88,778	$ 183,830	$ 165,384
Drilling services	39,106	35,002	102,801	92,078
Truck leasing & rentals	28,846	23,857	55,352	45,679
Environmental services	7,104	5,003	11,879	13,430
	170,033	152,640	353,862	316,571
OPERATING COSTS AND EXPENSES				
Direct	116,346	104,111	240,811	219,058
Depreciation and amortization	19,604	16,547	38,284	32,456
Selling and administrative	22,294	20,548	45,959	43,371
Gain on sale of assets	(941)	(1,557)	(2,281)	(2,313)
	157,303	139,649	322,773	292,572
OPERATING EARNINGS	12,730	12,991	31,089	23,999
Associated companies -earnings	2,084	3,349	3,189	5,051
-gain on dilution of equity interest	-	-	727	-
Interest expense - long-term debt	(5,117)	(2,911)	(9,690)	(5,340)
Interest - other	(653)	(258)	(1,010)	(208)
General and administrative costs	(1,598)	(1,442)	(2,927)	(2,911)
EARNINGS BEFORE TAXES AND MINORITY INTEREST	7,446	11,729	21,378	20,591
Income tax expense	(3,187)	(2,213)	(10,267)	(3,766)
Minority interest	(55)	(193)	(194)	(14)
NET EARNINGS	$ 4,204	$ 9,323	$ 10,917	$ 16,811
EARNINGS PER SHARE:				
Net earnings	0.10	0.23	0.27	0.41

TRIMAC LIMITED
CONSOLIDATED BALANCE SHEET

(thousands of dollars)	June 30 1995	December 31 1994	June 30 1994
ASSETS			
CURRENT ASSETS			
Cash and term deposits	$ 18,203	$ 14,525	$ 14,308
Accounts receivable	113,664	120,919	89,020
Materials and supplies	8,101	5,983	5,097
Prepaid expenses	19,285	17,911	16,847
	159,253	159,338	125,272
INVESTMENTS AND ADVANCES			
Investments in and advances to associated companies	109,958	100,612	90,462
Notes receivable and other	1,815	2,114	5,787
	111,773	102,726	96,249
FIXED ASSETS, at cost	789,631	731,611	674,417
Less: Accumulated depreciation	(357,990)	(344,019)	(320,301)
	431,641	387,592	354,116
GOODWILL AND AUTHORITIES	7,771	8,442	10,587
	$ 710,438	$ 658,098	$ 586,224
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Bank advances, secured	$ 30,889	$ 20,832	$ 11,839
Accounts payable and accrued	87,359	94,429	67,812
Income taxes payable	1,012	3,843	201
Current maturities of long-term debt	5,896	7,224	2,308
	125,156	126,328	82,160
LONG-TERM DEBT	255,390	208,809	196,103
DEFERRED INCOME TAXES	10,055	6,351	12,262
MINORITY INTEREST	2,817	2,535	544
SHAREHOLDERS' EQUITY			
Common share capital	150,100	149,723	151,018
Cumulative translation adjustment	3,172	4,277	3,088
Retained earnings	163,748	160,075	141,049
	317,020	314,075	295,155
	$ 710,438	$ 658,098	$ 586,224

TRIMAC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(thousands of dollars)	Period ended June 30 Three months 1995	Three months 1994	Six months 1995	Six months 1994
CASH PROVIDED (USED)				
OPERATIONS:				
Net Earnings	$ 4,204	$ 9,323	$ 10,917	$ 16,811
Depreciation and amortization	19,604	16,547	38,284	32,456
Gain on sale of assets	(941)	(1,557)	(2,281)	(2,313)
Deferred income taxes	(1,404)	1,036	3,753	1,901
Associated companies -net earnings	(1,394)	(2,850)	(2,387)	(4,127)
-gain on dilution of equity interest	-	-	(727)	-
Other non-cash items	1	31	125	(132)
Cash from operations	20,070	22,530	47,684	44,596
Net change in non-cash working capital balances	11,161	(7,865)	(11,972)	(16,958)
Net cash flow	31,231	14,665	35,712	27,638
INVESTMENTS:				
Purchase of fixed assets	(45,990)	(48,407)	(84,741)	(88,150)
Proceeds on sale of fixed assets	8,100	6,481	18,067	12,954
Net capital expenditures	(37,890)	(41,926)	(66,674)	(75,196)
Investment in subsidiary and associated companies	(4,522)	-	(10,822)	(6,264)
Other	(257)	2,228	577	3,752
Cash used in investments	(42,669)	(39,698)	(76,919)	(77,708)
FINANCING:				
Increase in long-term debt	28,890	37,887	54,434	63,092
Repayments of long-term debt	(3,393)	(394)	(8,517)	(2,198)
	25,497	37,493	45,917	60,894
Net change in working capital loans	(6,886)	(10,730)	5,835	(5,415)
Increase in common share capital	173	181	377	427
Dividend paid on common shares	-	(2)	(7,244)	(6,086)
Cash provided by financing	18,784	26,942	44,885	49,820
Net increase (decrease) in cash	7,346	1,909	3,678	(250)
Cash, beginning of the period	10,857	12,399	14,525	14,558
CASH, END OF THE PERIOD	$ 18,203	$ 14,308	$ 18,203	$ 14,308